

CHAPTER 690—H.F.No. 2182

An act relating to public administration; proposing amendments to the Minnesota Constitution: adding a section to article XI establishing an environmental and natural resources trust fund and article XIII, section 5 permitting state-run lotteries; providing for the distribution of lottery proceeds; providing implementing legislation for the trust fund; creating a legislative commission, an advisory committee, and a resources congress; providing for trust fund expenditures; providing for water system improvement loans; creating a Minnesota future resources account; transferring certain functions; requiring a biennial report; changing the distribution of general fund balances; returning certain transferred money to the state treasury; amending Minnesota Statutes 1986, sections 88.80, subdivision 2; Minnesota Statutes 1987 Supplement, sections 16A.1541; 116C.69, subdivision 3; 116O.012; and 297.13, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 116P; repealing Minnesota Statutes 1986, sections 86.01; 86.02; 86.03; 86.06; 86.07; 86.08; 86.10; 86.11; 86.12; 86.31; 86.32; 86.33, subdivision 1; 86.34; 86.35; 86.41; 86.42; 86.51; 86.53; 86.61; and 86.75.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED; ENVIRONMENTAL AND NATURAL RESOURCES TRUST FUND.**

Subdivision 1. AMENDMENT. The following amendment to the Minnesota Constitution, adding a section to article XI, is proposed to the people. If the amendment is adopted, the section will read as follows:

Sec. 14. A permanent Minnesota environment and natural resources trust fund is established in the state treasury. The principal of the environment and natural resources trust fund must be perpetual and inviolate forever, except appropriations may be made from up to 25 percent of the annual revenues deposited in the fund until fiscal year 1997 and loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. This restriction does not prevent the sale of investments at less than the cost to the fund, however, all losses not offset by gains shall be repaid to the fund from the earnings of the fund. The net earnings from the fund shall be appropriated in a manner prescribed by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources.

Subd. 2. SUBMISSION TO VOTERS. The proposed amendment must be submitted to the people at the 1988 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to establish a Minnesota

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environment and natural resources trust fund for environmental, natural resource, and wildlife purposes?

Yes
No

Sec. 2. CONSTITUTIONAL AMENDMENT; PROPOSED LOTTERY.

Subdivision 1. AMENDMENT. The following amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XIII, section 5, will read as follows:

Sec. 5. The legislature shall not authorize any lottery or the sale of lottery tickets, other than authorizing a lottery and sale of lottery tickets for a lottery operated by the state.

Subd. 2. SUBMISSION TO VOTERS. The proposed amendment shall be submitted to the people at the 1988 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to permit the legislature to authorize a lottery operated by the state?"

Yes
No

Sec. 3. Minnesota Statutes 1986, section 88.80, subdivision 2, is amended to read:

Subd. 2. PILOT PROJECT. The commissioner shall establish an aspen recycling program pilot project in the highest priority area on state lands in order to develop effective program procedures and practices. With respect to the pilot project, the commissioner may restrict bidding on contracts for the cutting, removal, and disposal of aspens, and for related activities, to loggers and others residing in the pilot project area designated under the program that are financially distressed. The commissioner may establish standards and procedures for awarding logging contracts ~~under section 86.35,~~ notwithstanding chapter 14, relating to eligibility for employment for conservation work projects.

Sec. 4. Minnesota Statutes 1987 Supplement, section 116C.69, subdivision 3, is amended to read:

Subd. 3. FUNDING; ASSESSMENT. The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site certificates and construction permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the board against all utilities with annual retail kilowatt-hour sales greater than 4,000,000 kilowatt-hours in the previous calendar year.

Until June 30, 1992, the assessment shall also include an amount sufficient to cover 60 percent of the costs to the pollution control agency of achieving,

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maintaining, and monitoring compliance with the acid deposition control standard adopted under sections 116.42 to 116.45, reprinting informational booklets on acid rain, and costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1. The director of the pollution control agency must prepare a work plan and budget and submit them annually by June 30 to the pollution control agency board. The agency board must take public testimony on the budget and work plan. After the agency board approves the work plan and budget they must be submitted annually to the legislative commission on ~~Minnesota resources waste management~~ for review and recommendation before an assessment is levied. Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.333, as determined by the board. The assessment shall be credited to the special revenue fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the sum of the annual budget of the board for carrying out the purposes of this subdivision plus 60 percent of the annual budget of the pollution control agency for achieving, maintaining, and monitoring compliance with the acid deposition control standard adopted under sections 116.42 to 116.45, for reprinting informational booklets on acid rain, and for costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1. The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the board and the pollution control agency for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 5. [116P.01] FINDINGS.

The legislature finds that all Minnesotans share the responsibility to ensure wise stewardship of the state's environment and natural resources for the benefit of current citizens and future generations. Proper management of the state's environment and natural resources includes and requires foresight, planning, and long-term activities that allow the state to preserve its high quality environment and provides for wise use of its natural resources. The legislature also finds that to undertake such activities properly, a long-term, consistent, and stable source of funding must be provided.

Sec. 6. [116P.02] DEFINITIONS.

Subdivision 1. APPLICABILITY. The definitions in this section apply to sections 5 to 17.

Subd. 2. ADVISORY COMMITTEE. "Advisory committee" means the advisory committee created in section 10.

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Subd. 3. BOARD. "Board" means the state board of investment.

Subd. 4. COMMISSION. "Commission" means the Minnesota future resources commission.

Subd. 5. NATURAL RESOURCES. "Natural resources" includes the outdoor recreation system under section 86A.04 and regional recreation open space systems as defined under section 473.351, subdivision 1.

Subd. 6. TRUST FUND. "Trust fund" means the Minnesota environment and natural resources trust fund established under Minnesota Constitution, article XI, section 14.

Sec. 7. [116P.03] TRUST FUND NOT TO SUPPLANT EXISTING FUNDING.

(a) The trust fund may not be used as a substitute for traditional sources of funding environmental and natural resources activities, but the trust fund shall supplement the traditional sources, including those sources used to support the criteria in section 12, subdivision 1. The trust fund must be used primarily to support activities whose benefits become available only over an extended period of time.

(b) The commission must determine the amount of the state budget spent from traditional sources to fund environmental and natural resources activities before and after the trust fund is established and include a comparison of the amount in the report under section 13, subdivision 7.

Sec. 8. [116P.04] TRUST FUND ACCOUNT.

Subdivision 1. ESTABLISHMENT OF ACCOUNT AND INVESTMENT. A Minnesota environment and natural resources trust fund, under article XI, section 14, of the Minnesota Constitution, is established as an account in the state treasury. The commissioner of finance shall credit to the trust fund the amounts authorized under this section and section 14. The state board of investment shall ensure that trust fund money is invested under section 11A.24. All money earned by the trust fund must be credited to the trust fund. The principal of the trust fund and any unexpended earnings must be invested and reinvested by the state board of investment.

Subd. 2. LOTTERY PROCEEDS. Through the first five full fiscal years, during which proceeds from the lottery are received, the commissioner of finance shall credit one-half of the net lottery proceeds from the state-operated lottery to the trust fund. Thereafter, the commissioner shall credit up to one-half, as determined by law each biennium, of the net proceeds from the state-operated lottery to the trust fund.

Subd. 3. REVENUE. Revenue collected in accordance with subdivision 2 must be deposited monthly in the trust fund account. Nothing in sections 5 to 16 limits the source of contributions to the trust fund.

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Subd. 4. GIFTS AND DONATIONS. Gifts and donations, including land or interests in land, may be made to the trust fund. Noncash gifts and donations must be disposed of for cash as soon as the board prudently can maximize the value of the gift or donation. Gifts and donations of marketable securities may be held or be disposed of for cash at the option of the board. The cash receipts of gifts and donations of cash or capital assets and marketable securities disposed of for cash must be credited immediately to the principal of the trust fund. The value of marketable securities at the time the gift or donation is made must be credited to the principal of the trust fund and any earnings from the marketable securities are earnings of the trust fund.

Subd. 5. AUDITS REQUIRED. (a) The commission shall select a certified public accountant annually to audit the trust fund. The audit must be given to the governor and the legislature and be available to the public.

(b) The legislative auditor shall audit trust fund expenditures to ensure that the money is spent for the purposes provided in the commission's budget plan.

Sec. 9. [116P.05] MINNESOTA FUTURE RESOURCES COMMISSION.

(a) A Minnesota future resources commission of 16 members is created, consisting of the chairs of the house and senate committees on environment and natural resources, the chairs of the house appropriations and senate finance committees, six members of the senate appointed by the subcommittee on committees of the committee on rules and administration, and six members of the house appointed by the speaker. The commission shall develop a budget plan for expenditures from the trust fund and shall adopt a strategic plan as provided in section 12.

(b) The commission shall recommend expenditures to the legislature from the Minnesota future resources account under section 17. At least two members from the senate and two members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.

(c) Members shall appoint a chair who shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(d) Members shall serve on the commission until their successors are appointed.

(e) Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled in the same manner under paragraph (a).

(f) The commission may adopt bylaws and operating procedures to fulfill their duties under sections 5 to 17.

Sec. 10. [116P.06] ADVISORY COMMITTEE.

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(a) An advisory committee of 11 citizen members shall be appointed by the governor to advise the Minnesota future resources commission on project proposals to receive funding from the trust fund and the development of budget and strategic plans. The governor shall appoint at least one member from each congressional district. The governor shall appoint the chair.

(b) The governor's appointees must be confirmed with the advice and consent of the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575.

Sec. 11. [116P.07] RESOURCES CONGRESS.

The commission must convene a resources congress at least once every biennium. The congress must be open to all interested individuals. The purpose of the congress is to collect public input necessary to allow the commission, with the advice of the advisory committee, to develop a strategic plan to guide expenditures from the trust fund. The congress also may be convened to receive and review reports on trust fund projects.

Sec. 12. [116P.08] TRUST FUND EXPENDITURES; EXCEPTIONS; PLANS.

Subdivision 1. EXPENDITURES. Money in the trust fund may be spent only for:

(1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;

(2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;

(3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;

(4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;

(5) capital projects for the preservation and protection of unique natural resources;

(6) activities that preserve or enhance fish, wildlife, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;

(7) administrative and investment expenses incurred by the state board of investment in investing deposits to the trust fund; and

(8) administrative expenses subject to the limits in section 13.

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Subd. 2. EXCEPTIONS. Money from the trust fund may not be spent for:

(1) purposes of environmental compensation and liability under chapter 115B and response actions under chapter 115C;

(2) purposes of municipal water pollution control under the authority of chapters 115 and 116, including combined sewer overflow under section 116.162;

(3) costs associated with the decommissioning of nuclear power plants;

(4) hazardous waste disposal facilities;

(5) solid waste disposal facilities; or

(6) projects or purposes inconsistent with the strategic plan.

Subd. 3. STRATEGIC PLAN REQUIRED. (a) The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. The reinvest in Minnesota program must be reviewed by the advisory committee, resources congress and commission during the development of the strategic plan. The strategic plan must be updated every two years. The plan is advisory only. The commission shall submit the plan, as a recommendation, to the house of representatives appropriations and senate finance committees by January 1 of each odd-numbered year.

(b) The advisory committee shall work with the resources congress to develop a draft strategic plan to be submitted to the commission for approval. The commission shall develop the procedures for the resources congress.

(c) The commission may accept or modify the draft of the strategic plan submitted to it by the advisory committee before voting on the plan's adoption.

Subd. 4. BUDGET PLAN. (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) Projects submitted to the commission for funding may be referred to the advisory committee for recommendation, except that research proposals first must be reviewed by the peer review panel. The advisory committee may review all project proposals for funding and may make recommendations to the commission on whether:

(1) the projects meet the standards and funding categories set forth in sections 5 to 16;

(2) the projects duplicate existing federal, state, or local projects being conducted within the state; and

(3) the projects are consistent with the most recent strategic plan adopted by the commission.

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(c) The commission must adopt a budget plan to make expenditures from the trust fund for the purposes provided in subdivision 1. The budget plan must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(d) Money in the trust fund may not be spent except under an appropriation by law.

Subd. 5. PUBLIC MEETINGS. All advisory committee and commission meetings must be open to the public. The commission shall attempt to meet at least once in each of the state's congressional districts during each biennium.

Subd. 6. PEER REVIEW. (a) Research proposals must include a stated purpose, timeline, potential outcomes and an explanation of the need for the research. All research proposals must be reviewed by a peer review panel before receiving an appropriation from the trust fund.

(b) In conducting research proposal reviews, the peer review panel shall:

(1) comment on the methodology proposed and whether it can be expected to yield appropriate and useful information and data;

(2) comment on the need for the research and about similar existing information available, if any;

(3) comment on whether the research proposed meets the categories of subdivision 1; and

(4) report to the commission and advisory committee on clauses (1) to (3).

(c) The peer review panel also must review completed research proposals that have received an appropriation from the trust fund and comment and report upon whether the project reached the intended goals.

Subd. 7. PEER REVIEW PANEL MEMBERSHIP. (a) The peer review panel must consist of at least five but not more than 11 members who are knowledgeable in general research methods, including but not limited to the areas of air quality research, water research, forest research, fish and wildlife management research, environmental health research, and soil conservation research. Not more than two members of the panel may be employees of state agencies.

(b) Members of the peer review panel shall be selected by the commission and serve four-year staggered terms according to section 15.059. The commission may select additional temporary members for any research proposal deemed to be too technical for adequate peer review by the panel in paragraph (a). Members of the peer review panel shall elect a chair every two years who shall be responsible for convening meetings of the panel as often as is necessary to fulfill its duties as prescribed in this section. Compensation of panel members is governed by section 15.059, subdivision 3.

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Sec. 13. **[116P.09] ADMINISTRATION.**

Subdivision 1. ADMINISTRATIVE AUTHORITY. The commission may appoint legal and other personnel and consultants necessary to carry out functions and duties of the commission. Permanent employees shall be in the unclassified service. In addition, the commission may request staff assistance and data from any other agency of state government as needed for the execution of the responsibilities of the commission and advisory committee and an agency must promptly furnish it.

Subd. 2. LIAISON OFFICERS. The commission shall request each department or agency head of all state agencies with a direct interest and responsibility in any phase of environment and natural resources to appoint, and the latter shall appoint for the agency, a liaison officer who shall work closely with the commission and its staff. The designated liaison officer shall attend all meetings of the advisory committee to provide assistance and information to committee members when necessary.

Subd. 3. APPRAISAL AND EVALUATION. The commission shall obtain and appraise information available through private organizations and groups, utilizing to the fullest extent possible studies, data and reports previously prepared or currently in progress by public agencies, private organizations, groups, and others, concerning future trends in the protection, conservation, preservation, and enhancement of the state's air, water, land, forests, fish, wildlife, native vegetation, and other natural resources. Any data compiled by the commission shall be made available to any standing or interim committee of the legislature upon the request of the chair of the respective committee.

Subd. 4. PERSONNEL. Persons who are employed by a state agency to work on a project and are paid by an appropriation from the trust fund or Minnesota future resources account are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions must be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons for a project is authorized.

Subd. 5. ADMINISTRATIVE EXPENSE. (a) The administrative expenses of the commission and advisory committee shall be paid from the Minnesota future resources account until June 30, 1995.

(b) After June 30, 1995, the expenses of the commission and advisory committee combined may not exceed an amount equal to two percent of the total earnings of the trust fund in the preceding fiscal year.

(c) The commission and the advisory committee must include a reasonable amount for their administrative expense in the budget plan for the trust fund.

Subd. 6. CONFLICT OF INTEREST. A commission member, advisory committee member, peer review panelist, or an employee of the commission,

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may not participate in or vote on a decision of the commission, advisory committee, or peer review panel relating to an organization in which the member, panelist, or employee has either a direct or indirect personal financial interest. While serving on the legislative commission, advisory committee, or peer review panel, or being an employee of the commission, a person shall avoid any potential conflict of interest.

Subd. 7. REPORT REQUIRED. The commission shall, by July 1 of each even-numbered year, submit a report to the governor, the chairs of the house appropriations and senate finance committees and the chairs of the house and senate committees on environment and natural resources. Copies of the report must be available to the public. The report must include:

- (1) a copy of the current strategic plan;
- (2) a description of each project receiving money from the trust fund and Minnesota future resources account during the preceding two years;
- (3) a summary of any research project completed in the preceding two years;
- (4) recommendations to implement successful projects and programs into a state agency's standard operations;
- (5) to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund and Minnesota future resources account during the next two years;
- (6) the source and amount of all revenues collected and distributed by the commission, including all administrative and other expenses;
- (7) a description of the trust fund's assets and liabilities;
- (8) any findings or recommendations that are deemed proper to assist the legislature in formulating legislation;
- (9) a list of all gifts and donations with a value over \$1,000;
- (10) a comparison of the amounts spent by the state for environment and natural resources activities through the most recent fiscal year; and
- (11) a copy of the most recent certified financial and compliance audit.

Sec. 14. [116P.10] ROYALTIES, COPYRIGHTS, PATENTS.

The trust fund owns and shall take title to the percentage of a royalty, copyright, or patent resulting from a project supported by the trust fund equal to the percentage of the project's total funding provided by the trust fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the trust fund's rights to a royalty, copyright, or patent, must be credited immediately to the principal of the trust fund. Before a project is included in the budget plan, the commission may vote to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the trust fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the trust fund.

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Sec. 15. [116P.11] AVAILABILITY OF FUNDS FOR DISBURSEMENT.

(a) The amount biennially available from the trust fund for the budget plan developed by the commission consists of the interest earnings from the trust fund generated in the preceding two fiscal years ending on the even-numbered year.

(b) For funding projects through fiscal year 1997, the following additional amounts are available from the trust fund for the budget plans developed by the commission:

(1) for the 1991-1993 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1989 and 1990;

(2) for the 1993-1995 biennium, up to 20 percent of the revenue deposited in the trust fund in fiscal year 1991 and up to 15 percent of the revenue deposited in the fund in fiscal year 1992; and

(3) for the 1995-1997 biennium, up to ten percent of the revenue deposited in the fund in fiscal year 1993 and up to five percent of the revenue deposited in the fund in fiscal year 1994.

(c) Any appropriated funds not encumbered in the biennium in which they are appropriated cancel and must be credited to the principal of the trust fund.

Sec. 16. [116P.12] WATER SYSTEM IMPROVEMENT LOAN PROGRAM.

Subdivision 1. LOANS AUTHORIZED. (a) If the principal of the trust fund equals or exceeds \$200,000,000, the commission may vote to set aside up to five percent of the principal of the trust fund for water system improvement loans. The purpose of water system improvement loans is to offer below market rate interest loans to local units of government for the purposes of water system improvements.

(b) The interest on a loan shall be calculated on the declining balance at a rate four percentage points below the secondary market yield of one-year United States treasury bills calculated according to section 549.09, subdivision 1, paragraph (c).

(c) An eligible project must prove that existing federal or state loans or grants have not been adequate.

(d) Payments on the principal and interest of loans under this section must be credited to the trust fund.

(e) Repayment of loans made under this section must be completed within 20 years.

(f) The Minnesota public facilities authority must report to the commission each year on the loan program under this section.

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Subd. 2. APPLICATION AND ADMINISTRATION. (a) The commission must adopt a procedure for the issuance of the water system improvement loans by the public facilities authority.

(b) The commission also must ensure that the loans are administered according to its fiduciary standards and requirements.

Sec. 17. [116P.13] MINNESOTA FUTURE RESOURCES ACCOUNT.

Subdivision 1. REVENUE SOURCES. The money in the Minnesota future resources account consists of revenue credited under section 297.13, subdivision 1, clause (1).

Subd. 2. INTEREST. The interest attributable to the investment of the Minnesota future resources account must be credited to the account.

Subd. 3. REVENUE PURPOSES. Revenue in the Minnesota future resources account may be spent for purposes of natural resources acceleration and outdoor recreation, including but not limited to the development, maintenance and operation of the state outdoor recreation system under chapter 86A and regional recreation open space systems as defined under section 473.351, subdivision 1.

Sec. 18. Minnesota Statutes 1987 Supplement, section 297.13, subdivision 1, is amended to read:

Subdivision 1. **CIGARETTE TAX APPORTIONMENT.** Revenues received from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner of revenue in a separate and special fund, designated as the tobacco tax revenue fund, in the state treasury and credited as follows:

(a) first to the general obligation special tax bond debt service account in each fiscal year the amount required to increase the balance on hand in the account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from the proceeds of the tax to and including the second following July 1; and

(b) after the requirements of paragraph (a) have been met:

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to a the Minnesota future resources fund account for purposes of natural resources acceleration as provided in chapter 86;

(2) the revenue produced by two mills of the tax on cigarettes weighing not more than three pounds a thousand and four mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16, provided that, if the

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tax on cigarettes imposed by United States Code, title 26, section 5701, as amended, is reduced after June 1, 1985, an additional one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16 less any amount credited to the general obligation special tax debt service account under paragraph (a), with respect to bonds issued for the prevention, control, and abatement of water pollution;

(3) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to a public health fund, provided that if the tax on cigarettes imposed by United States Code, title 26, section 5701, as amended, is reduced after June 1, 1985, an additional two-tenths of one mill of the tax on cigarettes weighing not more than three pounds a thousand and an additional four-tenths of one mill of the tax on cigarettes weighing more than three pounds a thousand must be credited to the public health fund;

(4) the balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

Sec. 19. PERSONNEL TRANSFER.

All unclassified positions associated with the responsibilities of the legislative commission on Minnesota resources are transferred with their incumbents to the Minnesota future resources commission.

Sec. 20. TRANSFER OF RIGHTS AND OBLIGATIONS.

The Minnesota future resources commission is the legal successor in all respects to the legislative commission on Minnesota resources. The rights and obligations under all existing contracts and any right of action to which the legislative commission on Minnesota resources is a party or beneficiary are transferred to the Minnesota future resources commission upon creation.

Sec. 21. INSTRUCTION TO REVISOR.

(a) The revisor shall change references to "legislative commission on Minnesota resources" to "Minnesota future resources commission" wherever it appears in the 1988 edition of Minnesota Statutes.

(b) The revisor shall renumber sections 86.33, subdivision 2, as 84.965, subdivision 1; 86.33, subdivision 3, as 84.965, subdivision 2; and 86.78 as 84.966 in the next edition of Minnesota Statutes.

Sec. 22. REPEALER.

Minnesota Statutes 1986, sections 86.01; 86.02; 86.03; 86.06; 86.07; 86.08; 86.10; 86.11; 86.12; 86.31; 86.32; 86.33, subdivision 1; 86.34; 86.35; 86.41; 86.42; 86.51; 86.53; 86.61; and 86.75 are repealed.

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Sec. 23. EFFECTIVE DATE.

Sections 1 and 2 are effective the day after final enactment. Sections 3 to 22 are effective the day following adoption by the voters of the constitutional amendment proposed by section 1.

ARTICLE 2**GREATER MINNESOTA CORPORATION**

Section 1. Minnesota Statutes 1987 Supplement, section 16A.1541, is amended to read:

16A.1541 ADDITIONAL REVENUES; PRIORITY.

If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money in the following order of priority:

(1) ~~the amount necessary to reduce the property tax levy recognition percent under section 121.904, subdivision 4e, to 24 percent;~~

(2) ~~the remainder (i) one-half to the greater Minnesota fund, but not to exceed \$120,000,000 and (ii) one-half to the budget and cash flow reserve account until the total amount in the account equals \$550,000,000.~~

The amounts necessary to meet the requirements of clauses (1) and (2) are appropriated from the general fund.

Sec. 2. TRANSFER RETURNED.

The Greater Minnesota Corporation shall return to the state treasury \$80,500,000 of the money transferred to it under Minnesota Statutes 1987 Supplement, section 16A.1541. The return must be made to the commissioner of finance, who shall credit the receipt to the general fund. The return must be made as soon as is practical, while minimizing any investment losses that might result from early redemption.

Sec. 3. Minnesota Statutes 1987 Supplement, section 116O.12, is amended to read:

116O.12 GREATER MINNESOTA FUND.

(a) The Greater Minnesota fund is created in the state treasury. The board may require the commissioner of finance to create separate accounts within the fund for use in accordance with the fund's purposes. Money in the fund not needed for the immediate purposes of the corporation may be invested by the

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corporation in any way authorized by section 11A.24. Money in the fund is appropriated to the corporation to be used as provided in this chapter.

(b) The fund consists of:

- (1) money appropriated and transferred from other state funds;
- (2) fees and charges collected by the corporation;
- (3) income from investments and purchases;
- (4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes; ~~and~~
- (5) gifts, donations, and bequests made to the corporation; and

(6) through the first five full fiscal years, during which proceeds from the lottery are received, one-half of the net proceeds of the state-operated lottery must be credited to the greater Minnesota corporation fund. Thereafter, up to one-half, as determined by law each biennium, of the net proceeds from the state-operated lottery must be credited to the greater Minnesota corporation fund.

Sec. 4. EFFECTIVE DATE.

Sections 1 and 2 are effective the day following final enactment. Section 3 is effective the day following adoption by the voters of the constitutional amendment proposed by article 1, section 2.

Approved April 28, 1988

CHAPTER 691—H.F.No. 2228

An act relating to education; establishing a records destruction schedule for chemical abuse preassessment teams; requiring law enforcement reports of certain violations to preassessment teams; amending Minnesota Statutes 1987 Supplement, sections 126.034; 126.035; 126.037; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, section 126.033, subdivision 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1987 Supplement, section 126.034, is amended to read:

126.034 SCHOOL PREASSESSMENT TEAMS.

Every public school, and every nonpublic school that participates in a school district chemical abuse program shall establish a chemical abuse preassessment

New language is indicated by underline, deletions by ~~strikeout~~.