CHAPTER 116P

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

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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.

History: *1988 c 690 art 1 s 5*

116P.011 CHAPTER DOES NOT APPLY TO CERTAIN APPROPRIATIONS.

This chapter does not apply to appropriations from the environment and natural resources trust fund under section 116X.03 or to projects funded with those appropriations.

History: *2023 c 67 art 2 s 1*

116P.02 DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

Subd. 2. MS 2004 [Repealed, 2006 c 243 s 22]

Subd. 3. **Board.** "Board" means the State Board of Investment.

Subd. 4. **Commission.** "Commission" means the Legislative-Citizen Commission on Minnesota Resources.

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.

History: *1988 c 690 art 1 s 6; 1989 c 335 art 1 s 269; 2003 c 128 art 1 s 146; 2006 c 243 s 2*

116P.03 TRUST FUND NOT TO SUPPLANT EXISTING FUNDING; APPROPRIATIONS.

(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 116P.08, 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 116P.09, subdivision 7.

(c) For the fiscal year beginning July 1, 2007, and each year thereafter, the amount of the environment and natural resources trust fund that is available for appropriation under the terms of the Minnesota Constitution, article XI, section 14, shall be appropriated by law.

(d) The amount appropriated from the environment and natural resources trust fund may be spent only for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. Recommendations made by the commission under this chapter must be consistent with the Minnesota Constitution, article XI, section 14; this chapter; and the strategic plan adopted under section 116P.08, subdivision 3, and must demonstrate a direct benefit to the state's environment and natural resources.

History: *1988 c 690 art 1 s 7; 2006 c 243 s 3; 2023 c 67 art 2 s 2*

116P.04 TRUST FUND ACCOUNT.

Subdivision 1. **Establishment; 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 management and budget shall credit to the trust fund the amounts authorized under this section and section 116P.10. 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. MS 1988 [Repealed, 1990 c 610 art 1 s 59]

Subd. 3. **Revenue.** Nothing in sections 116P.01 to 116P.12 limits the source of contributions to the trust fund.

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.** The legislative auditor shall audit trust fund expenditures to ensure that the money is spent for the purposes for which the money was appropriated.

History: *1988 c 690 art 1 s 8; 1990 c 610 art 1 s 44; 1991 c 343 s 1; 2006 c 243 s 4; 2009 c 101 art 2 s 109*

116P.05 LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES.

Subdivision 1. **Membership.** (a) A Legislative-Citizen Commission on Minnesota Resources of 17 members is created in the legislative branch, consisting of the chairs of the house of representatives and senate committees on environment and natural resources finance or designees appointed for the terms of the chairs, four members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and four members of the house of representatives appointed by the speaker.

(b) At least two members from the senate and two members from the house of representatives must be from the minority caucus.

(c) Seven citizens are members of the commission, five appointed by the governor, one appointed by the Senate Subcommittee on Committees of the Committee on Rules and Administration, and one appointed by the speaker of the house. The citizen members are selected and recommended to the appointing authorities according to subdivision 1a and must:

(1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources;

(2) have strong knowledge in the state's environment and natural resource issues around the state;

(3) have demonstrated ability to work in a collaborative environment; and

(4) not be a registered lobbyist.

(d) Members shall develop procedures to elect a chair that rotates between legislative and citizen members each meeting. A citizen member, a senate member, and a house of representatives member shall serve as chairs. The citizen members, senate members, and house of representatives members must select their respective chairs. The chair shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(e) Appointed legislative members shall serve on the commission for two-year terms, beginning in January of each odd-numbered year and continuing through the end of December of the next even-numbered year. Appointed citizen members shall serve four-year terms, beginning in January of the first year and continuing through the end of December of the final year. Citizen and legislative members continue to serve until their successors are appointed.

(f) A citizen member may be removed by an appointing authority for cause. 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 for the remainder of the term in the same manner under paragraphs (a) to (c).

(g) Legislative members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission. Citizen members are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3, except that a citizen member may be compensated at the rate of up to $125 a day.

(h) The governor's appointments are subject to the advice and consent of the senate. One of the governor's appointments must be a member recommended by the Tribal government representatives of the Indian Affairs Council.

(i) A citizen member may serve no more than eight years, except as necessary to fill a vacancy. A citizen member may not serve more than ten years if serving additional time to fill a vacancy.

Subd. 1a. **Citizen selection committee.** (a) The governor must appoint a Trust Fund Citizen Selection Committee of five members who come from different regions of the state and who have knowledge and experience of state environment and natural resource issues to provide recommendations for appointments under subdivision 1, paragraph (c).

(b) The duties of the Trust Fund Citizen Selection Committee are to:

(1) identify citizen candidates to be members of the commission as part of the open appointments process under section 15.0597;

(2) request and review citizen candidate applications to be members of the commission; and

(3) interview the citizen candidates and recommend an adequate pool of candidates to be selected for commission membership by the governor.

(c) Members serve three-year terms and are entitled to per diem and reimbursement for expenses incurred in the services of the committee, as provided in section 15.059, subdivision 3, except that a citizen selection committee member may be compensated at the rate of up to $125 a day.

(d) A member appointed under this subdivision may not be a registered lobbyist.

Subd. 2. **Duties.** (a) The commission must recommend an annual or biennial legislative bill for appropriations from the environment and natural resources trust fund and must adopt a strategic plan as provided in section 116P.08. Except as provided under section 116P.09, subdivision 6, paragraph (b), approval of the recommended legislative bill requires an affirmative vote of at least 11 members of the commission.

(b) It is a condition of acceptance of the appropriations made from the Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources, and comply with applicable reporting requirements under section 116P.16. None of the money provided may be spent unless the commission has approved the pertinent work plan. Modifications to the approved work plan and budget expenditures must be made through the amendment process established by the commission. The commission must ensure that the expenditures and outcomes described in the work plan for appropriations funded by the environment and natural resources trust fund are met.

(c) The peer review procedures created under section 116P.08 must also be used to review, comment, and report to the commission on research proposals applying for an appropriation from the oil overcharge money under section 4.071, subdivision 2.

(d) The commission may adopt operating procedures to fulfill its duties under this chapter.

(e) As part of the operating procedures, the commission must:

(1) ensure that members' expectations are to participate in all meetings related to funding decision recommendations;

(2) recommend adequate funding for increased citizen outreach and communications for trust fund expenditure planning;

(3) allow administrative expenses as part of individual project expenditures based on need;

(4) provide for project outcome evaluation;

(5) keep the grant application, administration, and review process as simple as possible; and

(6) define and emphasize the leveraging of additional sources of money that project proposers should consider when making trust fund proposals.

Subd. 3. MS 2012 [Repealed, 2014 c 226 s 4]

History: *1988 c 690 art 1 s 9; 1989 c 335 art 1 s 269; 1990 c 594 art 1 s 56; 1991 c 254 art 2 s 39; 1991 c 343 s 2; 1993 c 4 s 15; 1994 c 580 s 1; 1997 c 202 art 2 s 36; 2003 c 128 art 1 s 147; 1Sp2005 c 1 art 2 s 135; 2006 c 243 s 5; 2009 c 143 s 3; 1Sp2011 c 2 art 4 s 23; 2013 c 52 s 3,4; 2015 c 76 s 3; 2016 c 186 s 3; 2017 c 96 s 3; 2023 c 60 art 2 s 3-5*

116P.06 MS 2004 [Repealed, 2006 c 243 s 22]

116P.07 INFORMATION GATHERING.

The commission may convene public forums or employ other methods to gather information for establishing priorities for funding.

History: *1988 c 690 art 1 s 11; 1991 c 254 art 2 s 41; 1991 c 343 s 4; 2002 c 225 s 2; 2006 c 243 s 6*

116P.08 TRUST FUND EXPENDITURES.

Subdivision 1. **Expenditures.** (a) 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, land, air, water, 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 116P.09.

(b) In making recommendations for expenditures from the trust fund, the commission shall give priority to funding programs and projects under paragraph (a), clauses (1) and (6). Any requests for proposals issued by the commission shall clearly indicate these priorities.

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 in municipalities with a population of 5,000 or more under the authority of chapters 115 and 116;

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

(4) hazardous waste disposal facilities;

(5) solid waste disposal facilities;

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

(7) acquiring property by eminent domain, unless the owner requests that the owner's property be acquired by eminent domain.

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 strategic plan must be reviewed every two years. The strategic plan must have clearly stated short- and long-term goals and strategies for trust fund expenditures, must provide measurable outcomes for expenditures, and must determine areas of emphasis for funding.

(b) The commission shall consider the long-term strategic plans of agencies with environment and natural resource programs and responsibilities and plans of conservation and environmental organizations during the development and review of the strategic plan.

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

(b) The commission must recommend an annual or biennial legislative bill to make appropriations from the trust fund for the purposes provided in subdivision 1. The recommendations must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(c) The commission may recommend regional block grants for a portion of trust fund expenditures to partner with existing regional organizations that have strong citizen involvement, to address unique local needs and capacity, and to leverage all available funding sources for projects.

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

Subd. 4a. **Emerging issues account.** (a) The commission may recommend the establishment of an emerging issues account in its legislative bill for funding emerging issues, which come up unexpectedly but still adhere to the commission's strategic plan.

(b) Money in the emerging issues account may only be spent on activities that meet all of the following requirements:

(1) address an immediate threat to public health, the environment, or the state's natural resources; and

(2) are conducted by a state agency or performed under a contract directed by a state agency.

(c) Money in the emerging issues account may not be spent on:

(1) a project that was previously reviewed and rejected by the commission during the most recently completed funding cycle or included in a bill introduced during either of the last two regular legislative sessions; or

(2) a capital construction project.

(d) Except as provided under section 116P.09, subdivision 6, paragraph (b), recommendations by the commission for an expenditure from the emerging issues account require an affirmative vote of at least 12 members of the commission. An expenditure from the emerging issues account must be approved by the governor after initiation and recommendation by the commission. The chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources must be notified of an expenditure sent to the governor for approval.

(e) A recipient of money from the emerging issues account must submit a final report to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources detailing the expenditure of the money and outcomes achieved.

Subd. 5. **Public meetings.** (a) Meetings of the commission, committees or subcommittees of the commission, technical advisory committees, and peer reviewers must be open to the public and are subject to chapter 13D. The commission shall attempt to meet throughout various regions of the state during each biennium. For purposes of this subdivision, a meeting occurs when a quorum is present and action is taken regarding a matter within the jurisdiction of the commission, a committee or subcommittee of the commission, a technical advisory committee, or peer reviewers.

(b) For legislative members of the commission, enforcement of this subdivision is governed by section 3.055, subdivision 2. For nonlegislative members of the commission, enforcement of this subdivision is governed by section 13D.06, subdivisions 1 and 2.

Subd. 6. **Peer review.** (a) Research proposals must include a stated purpose directly connected to the trust fund's constitutional mandate, this chapter, and the adopted strategic plan under subdivision 3, a timeline, potential outcomes, and an explanation of the need for the research. All research proposals must be peer reviewed before receiving an appropriation.

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

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

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

(c) Peer reviewers' comments under paragraph (b) must be reported to the commission.

(d) The peer reviewers may review completed research proposals that have received an appropriation and comment and report upon whether the project reached the intended goals.

Subd. 7. **Peer reviewers.** (a) The peer reviewers must be knowledgeable in general research methods in the areas of environment and natural resources.

(b) Compensation of peer reviewers is governed by section 15.059, subdivision 3.

History: *1988 c 690 art 1 s 12; 1989 c 335 art 1 s 178; 1991 c 254 art 2 s 42,43; 1991 c 343 s 5,6; 1994 c 580 s 2,3; 2001 c 7 s 31; 2004 c 284 art 2 s 14; 2006 c 243 s 7-10; 2007 c 30 s 3; 2009 c 143 s 4;*

2015 c 76 s 4-6; 2016 c 186 s 4; 2017 c 96 s 4; 2018 c 214 art 4 s 3; art 6 s 2; 2019 c 2 art 1 s 10; 2022 c 94 s 3; 2026 c 104 s 3,4

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 an agency must promptly furnish it.

Subd. 2. **Liaison officers.** The commission may 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.

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 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. The use of classified employees is authorized when approved as part of the work program required by section 116P.05, subdivision 2, paragraph (b).

Subd. 5. **Administrative expense.** The prorated expenses related to commission administration of the trust fund may not exceed an amount equal to four percent of the amount available for appropriation of the trust fund for the biennium.

Subd. 6. **Conflict of interest.** (a) A commission member, a technical advisory committee member, a peer reviewer, or an employee of the commission may not participate in or vote on a decision of the commission, advisory committee, or peer review relating to an organization in which the member, peer reviewer, or employee has either a direct or indirect personal financial interest. While serving on the commission or technical advisory committee or as a peer reviewer or while an employee of the commission, a person must avoid any potential conflict of interest.

(b) A commission member may not vote on a motion regarding the purchase of land under section 116P.18; the final recommendations of the commission required under section 116P.05, subdivision 2, paragraph (a); or the expenditure of money from the emerging issues account if the motion relates to an organization in which the member has a direct personal financial interest. If a commission member is prohibited from voting under this paragraph, the number of affirmative votes required under section 116P.05, subdivision 2, paragraph (a), or section 116P.18 is reduced by the number of members ineligible to vote under this paragraph.

Subd. 7. **Report required.** The commission shall, by January 15 of each odd-numbered year, submit a report to the governor, the chairs of the house of representatives appropriations and senate finance committees, and the chairs of the house of representatives 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 during the preceding biennium;

(3) a summary of any research project completed in the preceding biennium;

(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 during the next biennium;

(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 assets and liabilities of the trust fund;

(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 compliance audit.

Subd. 8. **Technical advisory committees.** The commission shall make use of available public and private expertise on environment and natural resource issues and may appoint necessary technical advisory committees to review funding proposals and evaluate project outcomes. Compensation for technical advisory committee members is governed by section 15.059, subdivision 6.

History: *1988 c 690 art 1 s 13; 1991 c 254 art 2 s 44-46; 1991 c 343 s 7-10; 1994 c 580 s 4; 2003 c 128 art 1 s 148-150; 2006 c 243 s 11-13; 2013 c 52 s 5; 2015 c 76 s 7,8; 2018 c 182 art 1 s 12; 2023 c 60 art 2 s 6; 2024 c 116 art 9 s 1; 2026 c 104 s 5*

116P.10 ROYALTIES, COPYRIGHTS, PATENTS, AND SALE OF PRODUCTS AND ASSETS.

(a) This section applies to projects supported by the trust fund and the oil overcharge money referred to in section 4.071, subdivision 2, each of which is referred to in this section as a "fund."

(b) The fund owns and shall take title to the percentage of a royalty, copyright, or patent resulting from a project supported by the fund equal to the percentage of the project's total funding provided by the fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the fund's rights to a royalty, copyright, or patent, must be credited immediately to the principal of the fund. Receipts from Minnesota future resources fund projects must be credited to the trust fund. The commission may include in its legislative bill a recommendation to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the fund.

(c) If a project supported by the fund results in net income from the sale of products or assets developed or acquired by an appropriation from the fund, the appropriation must be repaid to the fund in an amount equal to the percentage of the project's total funding provided by the fund. The commission may include in its legislative bill a recommendation to relinquish the income if a plan is approved for reinvestment of the income in the project or when the amount of the original grant or loan, plus interest, has been repaid to the fund.

History: *1988 c 690 art 1 s 14; 1993 c 172 s 79; 2003 c 128 art 1 s 151; 2008 c 367 s 3; 2009 c 143 s 5*

116P.11 AVAILABILITY OF FUNDS FOR DISBURSEMENT.

(a) The amount annually available from the trust fund for the legislative bill developed by the commission is as defined in the Minnesota Constitution, article XI, section 14.

(b) Any appropriated funds not encumbered by the date the appropriation expires cancel and must be credited to the principal of the trust fund.

History: *1988 c 690 art 1 s 15; 1990 c 594 art 1 s 57; 1990 c 612 s 14; 1992 c 513 art 2 s 27; 1992 c 539 s 10; 1993 c 300 s 10; 1994 c 580 s 5; 1995 c 220 s 111; 2002 c 225 s 3; 2006 c 243 s 14; 2023 c 60 art 2 s 7*

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 that is the greater of one percent or 50 percent of 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 any loans made to the authority under this section.

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.

History: *1988 c 690 art 1 s 16; 2018 c 214 art 4 s 4*

116P.13 MS 2014 [Repealed, 2016 c 189 art 3 s 53]

116P.14 MS 2010 [Repealed, 1Sp2011 c 2 art 4 s 36]

116P.15 CAPITAL CONSTRUCTION AND LAND ACQUISITION; RESTRICTIONS.

Subdivision 1. **Scope.** A recipient of an appropriation from the trust fund or the Minnesota future resources fund who acquires an interest in real property with the appropriation must comply with subdivision 2. A recipient of an appropriation from the trust fund who uses any portion of the appropriation for a capital construction project with a total cost of $10,000 or more must comply with subdivision 3.

Subd. 2. **Land acquisition restrictions; modification procedure.** (a) An easement, fee title, or other interest in real property acquired with an appropriation from the trust fund or the Minnesota future resources fund must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation.

(b) A recipient of funding who acquires an interest in real property subject to this section may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the commission or its successor. The commission shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the trust fund or Minnesota future resources fund at least 15 business days before approval under this paragraph. The commission shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:

(1) the interest must be at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and

(2) the interest must be in a reasonably equivalent location, and have a reasonably equivalent useful conservation purpose compared to the interest being replaced, taking into consideration all effects from fragmentation of the whole habitat.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this section; and

(4) the following statement:

"This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."

Subd. 3. **Capital construction restrictions; modification procedure.** (a) A recipient of an appropriation from the trust fund who uses the appropriation to wholly or partially construct a building, trail, campground, or other capital asset may not alter the intended use of the capital asset or convey any interest in the capital asset for 25 years from the date the project is completed without the prior review and approval of the commission or its successor. The commission must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the trust fund at least 15 business days before approval under this paragraph. The commission must establish procedures to review requests from recipients to alter the use of or convey an interest in a capital asset under this paragraph. These procedures must require that:

(1) the sale price must be at least fair market value; and

(2) the trust fund must be repaid a portion of the sale price equal to the percentage of the total funding provided by the fund for constructing the capital asset.

(b) The commission or its successor may waive the requirements under paragraph (a), clauses (1) and (2), by recommendation to the legislature if the transfer allows for a continued use of the asset in a manner consistent with the original appropriation purpose or with the purposes of the trust fund.

(c) If both a capital asset and the real property on which the asset is located were wholly or partially purchased with an appropriation from the trust fund and the commission approves a request to alter the use of or convey an interest in the real property under subdivision 2, a separate approval under this subdivision to alter the use of the capital asset is not required.

(d) A recipient of an appropriation from the trust fund who uses the appropriation to wholly or partially construct a building, trail, campground, or other capital asset must separately record a notice of funding restrictions in the appropriate local government office. The notice of funding restrictions must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this subdivision; and

(4) the following statement:

"This interest in real property must be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the improvement of the property. The interest in real property, or any portion of the interest in real property, must not be altered from its intended use or be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor."

History: *1Sp2001 c 2 s 141; 2002 c 225 s 4; 2006 c 243 s 21; 2013 c 52 s 6; 2023 c 60 art 2 s 8*

116P.16 REAL PROPERTY INTERESTS AND CAPITAL ASSETS; REPORT.

(a) By December 1 each year, a recipient of an appropriation from the trust fund, that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, or for the construction of a building, trail, campground, or other capital asset with a total cost of $10,000 or more must submit annual reports on the status of the real property to the Legislative-Citizen Commission on Minnesota Resources or its successor in a form determined by the commission. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person who holds the interest

in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

(1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;

(2) inform the person to whom the responsibility is transferred of the property restrictions under section 116P.15; and

(3) provide written notice to the commission of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.

(b) After the transfer, the person who holds the interest in the real property is responsible for reporting requirements under this section.

(c) The annual reporting requirements on the status of a building, trail, campground, or other capital asset with a total cost of $10,000 or more and that was constructed with an appropriation from the trust fund expire 25 years after the date the final progress report under section 116P.05, subdivision 2, paragraph (b), is approved.

History: *1Sp2005 c 1 art 2 s 136; 2006 c 243 s 21; 2013 c 52 s 7; 2023 c 60 art 2 s 9*

116P.17 MS 2024 [Repealed, 2026 c 104 s 13]

116P.18 LANDS IN PUBLIC DOMAIN.

Money appropriated from the trust fund must not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state or a political subdivision of the state or was acquired fully or partially with state money, unless:

(1) the purchase creates additional direct benefit to the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources; and

(2) the purchase is approved, prior to the acquisition, by an affirmative vote of at least 11 members of the commission, except as provided under section 116P.09, subdivision 6, paragraph (b).

History: *2013 c 52 s 9; 2023 c 60 art 2 s 10; 2024 c 116 art 9 s 2*

116P.19 DONATIONS.

A recipient of money from the trust fund must not accept a monetary donation or payment from an owner of land that is acquired in fee in whole or in part with an appropriation from the trust fund that exceeds the documented expenses that are directly related to and necessary for activities specified in the work plan approved by the commission, unless expressly approved by the commission in the work plan. This section does not apply to:

(1) donations that are not connected with the acquisition transaction; or

(2) bargain sales, as defined by Code of Federal Regulations, title 26, section 1.1011-2, provided that the purchase price reimbursed by the state does not exceed the purchase price paid by the recipient.

History: *2016 c 186 s 5*

116P.20 EASEMENTS; MONITORING AND ENFORCEMENT REQUIREMENTS.

A recipient of money appropriated from the trust fund for easement monitoring and enforcement may spend the money only on activities included in an easement monitoring and enforcement plan contained within the work plan. Money received for monitoring and enforcement, including earnings on the money received, must be kept in a monitoring and enforcement fund held by the recipient and dedicated to monitoring and enforcing conservation easements in Minnesota. A recipient of an appropriation for easement monitoring and enforcement must, within 120 days after the close of the recipient's fiscal year, provide an annual financial report to the commission or the commission's successor on the easement monitoring and enforcement fund as specified in the work plan. Money appropriated from the trust fund for monitoring and enforcement of easements and earnings on the money appropriated revert to the state if:

(1) the easement transfers to the state;

(2) the recipient fails to file an annual financial report and then fails to cure the default within 30 days of notification of the default by the state; or

(3) the recipient fails to comply with the terms of the monitoring and enforcement plan contained within the work plan and fails to cure the default within 90 days of notification of the default by the state.

History: *2016 c 186 s 6*

116P.21 ADDITIONAL CAPITAL CONSTRUCTION PROJECT REQUIREMENTS.

Subdivision 1. **Full funding.** If an appropriation from the trust fund for a capital construction project or project phase is not alone sufficient to complete the project or project phase and a commitment from sources other than the trust fund is required:

(1) the commitment must be in an amount that, when added to the appropriation from the trust fund, is sufficient to complete the project or project phase; and

(2) the agency administering the appropriation from the trust fund must not distribute the money until the commitment is determined to be sufficient. In determining the sufficiency of a commitment under this clause, the agency must apply the standards and principles applied by the commissioner of management and budget under section 16A.502.

Subd. 2. **Match.** A recipient of money appropriated from the trust fund for a capital construction project must provide a cash or in-kind match from nontrust fund sources of at least 25 percent of the total costs to complete the project or project phase.

Subd. 3. **Sustainable building guidelines.** The sustainable building guidelines established under sections 16B.325 and 216B.241, subdivision 9, apply to new buildings and major renovations funded from the trust fund. A recipient of money appropriated from the trust fund for a new building or major renovation must ensure that the project complies with the guidelines.

Subd. 4. **Applicability.** (a) Subdivisions 1, 2, and 3 do not apply to:

(1) a capital construction project with a total cost of less than $10,000; or

(2) a land acquisition project.

(b) If land is acquired with trust fund money for the purpose of capital construction, the land acquisition is not exempted under paragraph (a), clause (2).

Subd. 5. **Other capital construction statutes.** The following statutes also apply to recipients of appropriations from the trust fund: sections 16B.32; 16B.335, subdivisions 3 and 4; 16C.054; 16C.16; 16C.28; 16C.285; 138.40; 138.665; 138.666; 177.41 to 177.44; and 471.345.

History: *2023 c 60 art 2 s 11; 2024 c 85 s 16*