

2023 Legislative Session Report

The 2023 legislative session concluded on May 22nd and included the passage of several bills that impact the Environment and Natural Resources Trust Fund (ENRTF) and Legislative-Citizen Commission on Minnesota Resources (LCCMR). The following is a summary of ENRTF and LCCMR-related bills, and links to other bills of interest.

[H.F. 2310 – M.L. 2023, Chapter 60, Article 2](#)

[H.F. 2310](#), the environment and natural resources omnibus bill, contained the ENRTF appropriations as well as other LCCMR-related provisions. H.F. 2310 passed the House 72-57, passed the Senate 35-32, and was signed by the Governor on May 25, 2023. See below for more detail:

[LCCMR Recommendations](#)

[Appropriation provisions](#)

- 86 appropriations totaling \$80,009,000, including \$79,644,000 from the ENRTF, \$176,000 recaptured from a prior fiscal year, and \$189,000 from the Great Lakes Protection Account. 85 of the projects were recommended by the LCCMR; one additional project using unspent funds from a previous project was added by the Legislature.
- 6 project extensions.
- \$176,000 in unspent ENRTF funds from a completed project were reappropriated for the purpose of examining the impacts of neonicotinoid exposure on the reproduction and survival of Minnesota's game species, including deer and prairie chicken.

[Policy provisions](#)

Capital construction project requirements recommended by the LCCMR were adopted with one modification to the match conditions. The requirements for new capital construction projects of \$10,000 or more are:

- Full funding to complete the project or a project phase must be committed and secured before funds are distributed and construction begins.
- A cash or in-kind match of at least 25% from non-ENRTF sources.
- All completed capital construction projects must maintain the intended use for 25 years, unless an alteration in use or conveyance is approved or waived, and must report annually to the LCCMR on the status of the property.
- The requirement to comply with sustainable building guidelines found in appropriation rider language is now in Chapter 116P.
- References to existing capital construction project requirements found in other statutes have been added to Chapter 116P.
- Changes will first apply to capital construction projects responding to the 2025 RFP.

[Modifications to LCCMR membership, term limits, and other policies](#)

- One of the Governor's citizen LCCMR appointees must be a member recommended by the Tribal government representatives of the Indian Affairs Council.

- The LCCMR voting threshold for approving annual recommendations to the Legislature and approving purchases of land in the public domain changed from 12 to 11.
- Citizen LCCMR members may not serve more than 8 years, except to fill a vacancy. Citizens may not serve more than a total of 10 years on the LCCMR. Years will begin to be counted after July 1, 2023.
- Citizen per diem rates increased to \$125 per day.
- Registered lobbyists may not serve on the LCCMR.
- LCCMR members are not allowed to vote on a final LCCMR recommendation if they have a direct financial interest related to one or more organizations considered in the recommendation.
- LCCMR Citizen Selection Committee member terms are for three years, members are eligible to receive per diem and expense reimbursement, and members cannot be registered lobbyists.

Other ENRTF and LCCMR-related projects – Article 1, Sec. 3, Subd. 5.

Projects funded with prior ENRTF appropriations received additional general fund appropriations to fully fund the projects:

- Silver Bay Multimodal Trailhead Project, which has received \$2,970,000 in ENRTF funds, received an additional \$400,000.
- Crane Lake Voyageurs National Park Campground and Visitor Center, which has received \$5,800,000 in ENRTF funds, received an additional \$1,900,000.

H.F. 1900 – M.L. 2023, Chapter 67

[H.F. 1900](#) allows for a constitutional amendment to be placed on the 2024 general election ballot for the renewal of the lottery dedication to the ENRTF. The new law also contains statutory changes to establish a community grants program administered by the Department of Natural Resources (DNR) and funded from the ENRTF. H.F. 1900 passed the House with a vote of 87- 41 and passed the Senate with a vote of 35-32. Constitutional amendments do not require governor signature. See below for more detail:

Constitutional amendment

H.F. 1900 stipulates that the ballot question titled “Environment and Natural Resources Trust Fund Renewal” at the 2024 general election will read:

“Shall the Minnesota Constitution be amended to protect drinking water sources and the water quality of lakes, rivers, and streams; conserve wildlife habitat and natural areas; improve air quality; and expand access to parks and trails by extending the transfer of proceeds from the state-operated lottery to the environment and natural resources trust fund, and to dedicate the proceeds for these purposes?”

The amendment, if passed, would:

- Extend the deposit of 40% of state lottery net proceeds to the ENRTF through 2050.
- Increase the market value of the fund that is available to appropriate each year of the biennium from 5.5% to 7%. (The increased funds are intended to fund the community grant program.)

- Prohibit using ENRTF funds to pay for any costs related to the construction, repair, improvement, or operation of any facility or system that processes wastewater. (Wastewater research is allowed.)
- Prohibit using the ENRTF to pay the principal or interest of any bonds.

Community grant program

If the constitutional amendment is passed, effective January 1, 2025, H.F. 1900 creates a new Environment and Natural Resources Trust Fund Community Grant Program intended to expand the number and diversity of recipients who benefit from the ENRTF, especially in communities that have been adversely affected by pollution and environmental degradation. The community grant program would be administered by the DNR, not the LCCMR, with input from a new advisory council. Up to 1.5% of the market value of the ENRTF could be appropriated for this program each year of the biennium.

Community grants may only be awarded for:

1. Helping adversely impacted communities respond to environmental degradation and related health concerns.
2. Education and awareness related to stewardship of air, land, water, forests, fish, wildlife, and other natural resources.
3. Preserving or enhancing air, land, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state.

H.F. 1830 – M.L. 2023, Chapter 62, Articles 2 & 7

[H.F. 1830](#), the state government omnibus bill, includes changes to state grant management procedures and requirements that may impact the administration and oversight of appropriations to non-state entities from the ENRTF. Some notable changes include:

- Enhanced pre-award review and risk assessment requirements, which now apply to for-profit organizations and political subdivisions as well as non-profits. Enhancements include tax returns, requiring evidence of good standing with the secretary of state, certification that none of the principals has been convicted of felony financial crime in the last 10 years, and certification that the business is not under bankruptcy proceedings.
- Enhanced options if significant risk is determined in the pre-award review. Options include requiring additional information from the grantee, requiring additional oversight of the grant if awarded, and foregoing or delaying the award for further legislative input.
- A requirement for the Department of Administration to review all grant agreements and amendments.
- Requirements to provide a publicly available report that includes an appraisal of a grantee's timeliness, quality, and overall performance in meeting the terms and objectives of the grant.
- Authority for a state agency to retain, unless otherwise appropriated, up to 5% of the amount appropriated for a grant program to cover administrative costs associated with running the grant program or up to 10% for administrative costs for running a competitive grant program.

H.F. 1830 also included the production of two reports and recommendations on implementing and administering collective bargaining for legislative employees, including LCCMR staff.

ENRTF or LCCMR-related bills not signed into law

[HF 1292](#) (Heintzeman) / [SF 1810](#) (Eichorn)

- *Description:* Recipients of ENRTF working with children required to perform background checks

Other bills of interest

Two bonding bills, [H.F. 669](#) and [H.F. 670](#), include appropriations for projects that previously received ENRTF appropriations:

- The National Loon Center received an additional \$2,500,000.
- The City of Ranier Rainy Lake Marina received an additional \$3,500,000.

Note that H.F. 669 and H.F. 670 have not yet been signed