

Attachment #3

Handout for agenda item 07-08
from Rep. Wagenius

Minnesota Constitution Art. XI, Sec.14

Sec. 14. Environment and natural resources fund.

A permanent environment and natural resources trust fund is established in the state treasury. Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. The assets of the fund shall be appropriated 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. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund until the year 2025.

[Adopted, November 8, 1988; Amended, November 6, 1990; November 3, 1998]

Minnesota Constitution Art. XI, Sec.15

Sec. 15. Outdoor heritage, clean water, parks and trails, and arts and cultural heritage; sales tax dedicated funds.

Beginning July 1, 2009, until June 30, 2034, the sales and use tax rate shall be increased by three-eighths of one percent on sales and uses taxable under the general state sales and use tax law. Receipts from the increase, plus penalties and interest and reduced by any refunds, are dedicated, for the benefit of Minnesotans, to the following funds: 33 percent of the receipts shall be deposited in the outdoor heritage fund and may be spent only to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife; 33 percent of the receipts shall be deposited in the clean water fund and may be spent only to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation, and at least five percent of the clean water fund must be spent only to protect drinking water sources; 14.25 percent of the receipts shall be deposited in the parks and trails fund and may be spent only to support parks and trails of regional or statewide significance; and 19.75 percent shall be deposited in the arts and cultural heritage fund and may be spent only for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage. An outdoor heritage fund; a parks and trails fund; a clean water fund and a sustainable drinking water account; and an arts and cultural heritage fund are created in the state treasury. The money dedicated under this section shall be appropriated by law. The dedicated money under this section must supplement traditional sources of funding for these purposes and may not be used as a substitute. Land acquired by fee with money deposited in the outdoor heritage fund under this section must be open to the public taking of fish and game during the open season unless otherwise provided by law. If the base of the sales and use tax is changed, the sales and use tax rate in this section may be proportionally adjusted by law to within one-thousandth of one percent in order to provide as close to the same amount of revenue as practicable for each fund as existed before the change to the sales and use tax.

[Adopted, November 4, 2008]

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M.L. 2013, Ch. 114, Sec. 2, Subd. 4. Bioenergy and Value-Added Agriculture 10,235,000 10,235,000

\$10,235,000 the first year and \$10,235,000 the second year are for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. The commissioner shall consider creating a competitive grant program for small renewable energy projects for rural residents. No later than February 1, 2014, and February 1, 2015, the commissioner must report to the legislative committees with jurisdiction over agriculture policy and finance regarding the commissioner's accomplishments and anticipated accomplishments in the following areas: developing new markets for Minnesota farmers by providing more fruits and vegetables for Minnesota school children; facilitating the start-up, modernization, or expansion of livestock operations including beginning and transitioning livestock operations; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms; research on conventional and cover crops; and biofuel and other renewable energy development including small renewable energy projects for rural residents.

The commissioner may use up to 4.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2015, for agricultural growth, research, and innovation grants in this subdivision are available until June 30, 2017.

Money in this appropriation may be used to provide additional assistance to persons eligible for the pilot agricultural microloan program under Minnesota Statutes, section 41B.056.

Funds in this appropriation may be used for grants under this paragraph. The NextGen Energy Board, established in Minnesota Statutes, section 41A.105, shall make recommendations to the commissioner on grants for owners of Minnesota facilities producing bioenergy, biobased content, or a biobased formulated product; for organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems; or for certain nongovernmental entities. For the purposes of this paragraph, "bioenergy" includes transportation fuels derived from cellulosic material, as well as the generation of energy for commercial heat, industrial process heat, or electrical power from cellulosic materials via gasification or other processes. Grants are limited to 50 percent of the cost of research, technical assistance, or equipment related to bioenergy, biobased content, or biobased formulated product production or \$500,000, whichever is less. Grants to nongovernmental entities for the development of business plans and structures related to community ownership of eligible bioenergy facilities together may not exceed \$150,000. The board shall make a good-faith effort to select projects that have merit and, when taken together, represent a variety of bioenergy technologies, biomass feedstocks, and geographic regions of the state. Projects must have a qualified engineer provide certification on the technology and fuel source. Grantees must provide reports at the request of the commissioner. No later than February 1, 2014, and February 1, 2015, the commissioner shall report on the projects funded under this appropriation to the legislative committees with jurisdiction over agriculture policy and finance.

Money in this appropriation may be used for sustainable agriculture grants under Minnesota Statutes, section 17.116.

Notwithstanding Minnesota Statutes, section 41A.12, subdivision 3, of the amount appropriated in this subdivision, \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to enhance arts access and education and to preserve and promote Minnesota's history and cultural heritage.