

1.1 Torkelson from the Committee on Ways and Means to which was referred:

1.2 H. F. No. 1218, A bill for an act relating to environment; appropriating money from the
1.3 environment and natural resources trust fund; modifying prior appropriations; amending
1.4 Laws 2024, chapter 83, section 2, subdivisions 3, 8.

1.5 Reported the same back with the following amendments:

1.6 Page 1, after line 5, insert:

1.7 **"ARTICLE 1**

1.8 **ENVIRONMENT AND NATURAL RESOURCES TRUST FUND: LCCMR"**

1.9 Page 1, line 8, delete "act" and insert "article"

1.10 Page 1, line 10, delete "act" and insert "article"

1.11 Page 19, line 7, delete "Bay West, LLC" and insert "Freshwater Society"

1.12 Page 66, after line 23, insert:

1.13 **"ARTICLE 2**

1.14 **ENVIRONMENT AND NATURAL RESOURCES TRUST FUND: GRANT**
1.15 **PROGRAMS**

1.16 Section 1. **[97C.364] KEEP IT CLEAN PROGRAM; GRANTS.**

1.17 Subdivision 1. **Establishment.** The commissioner, in consultation with the Board of
1.18 Water and Soil Resources and the commissioners of the Pollution Control Agency and
1.19 health, must develop and administer a statewide Keep It Clean program to prevent water
1.20 pollution due to garbage and human waste left on the ice of state waters during winter-use
1.21 activities. As part of the program, the commissioner must:

1.22 (1) coordinate and provide outreach to local units of government and nongovernmental
1.23 organizations;

2.1 (2) facilitate other state agencies' participation in local programs and projects;

2.2 (3) coordinate media efforts;

2.3 (4) establish a statewide education campaign; and

2.4 (5) develop and administer a grant program according to subdivision 2.

2.5 Subd. 2. **Grants.** The commissioner must develop a grant program to provide money
 2.6 to local units of government and nongovernmental organizations to implement local programs
 2.7 to prevent water pollution due to garbage and human waste left on the ice of state waters
 2.8 during winter-use activities. Activities eligible for grants under this section include but are
 2.9 not limited to:

2.10 (1) installing and maintaining public, sanitary, winterized dumping stations at accessible,
 2.11 designated locations near lake access points and major travel corridors;

2.12 (2) providing dedicated seasonal services, facilities, and containers to transport and
 2.13 dispose of human and pet biowaste at preapproved locations;

2.14 (3) increasing enforcement of related state and local ordinances by providing the resources
 2.15 needed to increase state and local law enforcement patrols during the winter months and
 2.16 establishing volunteer county programs for winter lake patrol;

2.17 (4) education and outreach efforts promoting local and regional Keep It Clean activities;

2.18 (5) organizing spring cleanup efforts, excluding cleanup efforts after significant events,
 2.19 including but not limited to festivals, ice-fishing contests, and ice races; and

2.20 (6) local advertising and marketing efforts to educate and promote Keep It Clean
 2.21 messaging and provide information about laws and regulations regarding Keep It Clean.

2.22 Sec. 2. Minnesota Statutes 2024, section 116X.03, is amended to read:

2.23 **116X.03 ENVIRONMENT AND NATURAL RESOURCES TRUST FUND**

2.24 **COMMUNITY GRANT PROGRAM PROGRAMS.**

2.25 Subdivision 1. **Grants.** ~~(a)~~ Beginning July 1, ~~2025~~ 2026, each fiscal year 1.5 percent of
 2.26 the market value of the environment and natural resources trust fund on June 30 one year
 2.27 before the start of the biennium is available for appropriation to the commissioner of natural
 2.28 resources to provide grants under this section for the benefit of current residents and future
 2.29 generations. The commissioner must award grants under this section for purposes authorized
 2.30 under the Minnesota Constitution, article XI, section 14, ~~and expand the number and diversity~~
 2.31 ~~of recipients who benefit from the environment and natural resources trust fund, especially~~

3.1 ~~in communities that have been adversely affected by pollution and environmental degradation.~~

3.2 Money appropriated to the commissioner for purposes of this section must be distributed
 3.3 as follows:

3.4 (1) 40 percent is for local government water quality grants under subdivision 1a;

3.5 (2) 40 percent is for trail improvements, distributed as follows:

3.6 (i) 50 percent is for improvement of state trails; and

3.7 (ii) 50 percent is for local trail improvement grants under subdivision 1b;

3.8 (3) 15 percent is for the outdoor school for all Minnesota youth programs under
 3.9 subdivision 1c; and

3.10 (4) five percent is for community grants under subdivision 1d.

3.11 ~~(b) A grant may be awarded under this section only for:~~

3.12 ~~(1) helping adversely impacted communities respond to environmental degradation and~~
 3.13 ~~related health concerns;~~

3.14 ~~(2) education and awareness related to stewardship of air, land, water, forests, fish,~~
 3.15 ~~wildlife, and other natural resources; or~~

3.16 ~~(3) preserving or enhancing air, land, water, and other natural resources that otherwise~~
 3.17 ~~may be substantially impaired or destroyed in any area of the state.~~

3.18 ~~(c) A grant awarded under this section must provide measurable results and may not be~~
 3.19 ~~awarded to a for-profit business.~~

3.20 ~~(d) Money appropriated from the trust fund under this subdivision must supplement the~~
 3.21 ~~traditional sources of funding for environment and natural resources activities and may not~~
 3.22 ~~be used as a substitute.~~

3.23 ~~(e) Any appropriated funds under this subdivision that are not encumbered before the~~
 3.24 ~~appropriation expires must be credited to the principal of the trust fund.~~

3.25 ~~(f) The commissioner may not award a grant under this section to the Department of~~
 3.26 ~~Natural Resources.~~

3.27 Subd. 1a. **Local government water quality grants.** The commissioner must award
 3.28 local government water quality grants under this subdivision to local units of government,
 3.29 Tribal governments, and lake associations:

3.30 (1) to prevent the introduction or limit the spread of aquatic invasive species;

4.1 (2) to manage invasive aquatic plants; and

4.2 (3) for the Keep It Clean program under section 97C.364.

4.3 Subd. 1b. **Local trail improvement grants.** The commissioner must award local trail
4.4 improvement grants under this subdivision to local units of government, Tribal governments,
4.5 and other local, regional, state, and national organizations for restoration and enhancement
4.6 of local and regional trails. Grants awarded under this section must be matched with nonstate
4.7 money.

4.8 Subd. 1c. **Outdoor school for all Minnesota youth program.** The commissioner must
4.9 establish an outdoor school for all Minnesota youth program to facilitate opportunities for
4.10 Minnesota youth to experience the outdoors. The commissioner may award grants under
4.11 this subdivision to local units of government, Tribal governments, school districts, and
4.12 environmental learning centers. Grants awarded under this subdivision may include grants
4.13 for activities that:

4.14 (1) provide transportation to state parks, forests, recreation areas, and environmental
4.15 learning centers;

4.16 (2) support family-focused outdoor initiatives;

4.17 (3) support development and maintenance of nature areas near schools and in
4.18 communities; and

4.19 (4) engage additional volunteers and expand mentorship and internship opportunities.

4.20 Subd. 1d. **Community grants.** (a) The commissioner must award grants under this
4.21 subdivision to expand the number and diversity of recipients who benefit from the
4.22 environment and natural resources trust fund, especially in communities that have been
4.23 adversely affected by pollution and environmental degradation. Grants under this subdivision
4.24 may be awarded only for:

4.25 (1) helping adversely impacted communities respond to environmental degradation and
4.26 related health concerns;

4.27 (2) education and awareness related to stewardship of air, land, water, forests, fish,
4.28 wildlife, and other natural resources; or

4.29 (3) preserving or enhancing air, land, water, and other natural resources that otherwise
4.30 may be substantially impaired or destroyed in any area of the state.

4.31 (b) A grant awarded under this subdivision must provide measurable results and may
4.32 not be awarded to a for-profit business.

5.1 (c) Money appropriated from the trust fund under this subdivision must supplement the
 5.2 traditional sources of funding for environment and natural resources activities and may not
 5.3 be used as a substitute.

5.4 (d) Any appropriated funds under this subdivision that are not encumbered before the
 5.5 appropriation expires must be credited to the principal of the trust fund.

5.6 (e) The commissioner may not award a grant under this subdivision to the Department
 5.7 of Natural Resources.

5.8 Subd. 2. **Capital projects and land acquisition.** Notwithstanding section 116P.011,
 5.9 the requirements of sections 116P.15 to 116P.21 apply to grants awarded under this section,
 5.10 except that where those sections require a grantee to obtain approval of the
 5.11 Legislative-Citizen Commission on Minnesota Resources for a proposed action a grantee
 5.12 must instead obtain the approval of the commissioner of natural resources.

5.13 Subd. 3. **Administrative expenses.** Up to five percent of the money appropriated to the
 5.14 commissioner for grants under this section may be used by the commissioner for
 5.15 administration, outreach, and grant monitoring, ~~and advisory council operational support.~~

5.16 Subd. 4. **Return of grant money.** The commissioner must require a recipient of a grant
 5.17 under this section to return all money awarded to the recipient if the recipient does not use
 5.18 the money in accordance with the applicable agreement.

5.19 Subd. 5. **Reporting.** By February 1 each year, the commissioner must submit a report
 5.20 to the chairs and ranking minority members of the house of representatives and senate
 5.21 committees and divisions with jurisdiction over environment and natural resources on the
 5.22 administration of this section during the previous fiscal year, including administrative
 5.23 expenses and the grants awarded.

5.24 Sec. 3. **ENVIRONMENT AND NATURAL RESOURCES TRUST FUND GRANT**
 5.25 **PROGRAMS; REPORT.**

5.26 By January 15, 2026, the commissioner of natural resources must submit a report to the
 5.27 chairs and ranking minority members of the legislative committees with jurisdiction over
 5.28 environment and natural resources that details the commissioner's plan to implement
 5.29 Minnesota Statutes, section 116X.03. The report must include:

5.30 (1) a draft of the request for proposal for each of the grant programs and the criteria that
 5.31 will be used to prioritize applications;

5.32 (2) plans for grant management, including oversight; and

6.1 (3) any recommendations for legislative changes necessary to implement the programs.

6.2 **Sec. 4. ENVIRONMENT AND NATURAL RESOURCES TRUST FUND**
6.3 **APPROPRIATIONS.**

6.4 (a) \$3,350,000 in fiscal year 2026 is appropriated from the environment and natural
6.5 resources trust fund to the commissioner of natural resources for a grant to the city of Carver
6.6 for capital improvements to restore the Carver levee, protecting an important historic district
6.7 in Minnesota from floodwaters of the Minnesota River. This levee restoration must meet
6.8 the requirements of Federal Emergency Management Agency (FEMA) certification. The
6.9 project includes predesign, design, engineering, land acquisition, and construction of capital
6.10 improvements, including raising the height of the Carver levee, constructing internal drainage,
6.11 establishing maintainable setbacks to adjacent structures, and certification by FEMA. This
6.12 appropriation is in addition to the appropriation in Laws 2023, chapter 72, article 1, section
6.13 7, subdivision 8, and for the same purpose. This appropriation is available until the project
6.14 is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

6.15 (b) \$1,950,000 in fiscal year 2026 is appropriated from the environment and natural
6.16 resources trust fund to the commissioner of natural resources for a grant to the Minnesota
6.17 Forest Zone Trappers Association for land acquisition, predesign, design, engineering, site
6.18 preparation, grading, finishing, and site features for a Sportsman's and Sportswoman's
6.19 Outdoor Development Learning Center in the city of Hibbing. This appropriation is available
6.20 until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

6.21 (c) \$2,000,000 in fiscal year 2026 is appropriated from the environment and natural
6.22 resources trust fund to the commissioner of natural resources for a feasibility study for and
6.23 engineering and construction of three segments of the Camp Ripley/Veterans State Trail
6.24 under Minnesota Statutes, section 85.015, subdivision 28. The segments are:

6.25 (1) from the city of Little Falls to the Camp Ripley Military Museum;

6.26 (2) from Blanchard Dam in Morrison County to Lindbergh State Park; and

6.27 (3) from the Paul Bunyan Trail in the city of Baxter to the city of Pillager.

6.28 This appropriation is available until the project is completed or abandoned, subject to
6.29 Minnesota Statutes, section 16A.642.

6.30 (d) \$2,500,000 in fiscal year 2026 is appropriated from the environment and natural
6.31 resources trust fund to the commissioner of natural resources for a grant to Sherburne County
6.32 for Phase 2 development of Two Inlets Regional Park adjacent to Big Elk Lake in Sherburne
6.33 County. This appropriation includes money for prairie, shoreline, and other native habitat

7.1 restoration; design and construction of trails and other visitor amenities and infrastructure;
7.2 and other site and natural resource improvements and betterments necessary to provide safe
7.3 and improved visitor access for outdoor recreation and to preserve the site as a public natural
7.4 area.

7.5 (e) \$3,150,000 in fiscal year 2026 is appropriated from the environment and natural
7.6 resources trust fund to the commissioner of natural resources to engineer, reconstruct, and
7.7 rehabilitate two segments of the Casey Jones State Trail. The segments are:

7.8 (1) the first three miles east from the Pipestone Trailhead, including the Pipestone
7.9 Trailhead; and

7.10 (2) the Currie Loop segment of the state trail.

7.11 (f) \$1,000,000 in fiscal year 2026 is appropriated from the environment and natural
7.12 resources trust fund to the commissioner of natural resources for a grant to Koochiching
7.13 County for capital improvements to the Blue Ox all-terrain vehicle trail systems in
7.14 Koochiching County. This appropriation is exempt from the requirements under Minnesota
7.15 Statutes, section 16A.86, subdivision 4.

7.16 (g) \$3,000,000 in fiscal year 2026 is appropriated from the environment and natural
7.17 resources trust fund to the commissioner of natural resources for a grant to the St. Louis
7.18 and Lake Counties Regional Railroad Authority to predesign, design, engineer, and construct
7.19 a trail segment of the Mesabi Trail with a pedestrian bridge to relocate a segment of the
7.20 Mesabi Trail due to a permanent closure of County State-Aid Highway 102 in the city of
7.21 Mountain Iron.

7.22 (h) \$7,300,000 in fiscal year 2026 is appropriated from the environment and natural
7.23 resources trust fund to the commissioner of natural resources for a grant to Scott County to
7.24 acquire property or interests in property and to predesign, design, and construct approximately
7.25 4.3 miles of the Louisville Segment of the Merriam Junction Regional Trail from the
7.26 Louisville Swamp Trailhead located in Louisville Township to the Big Woods Trail located
7.27 in the city of Shakopee.

7.28 (i) \$3,930,000 in fiscal year 2026 is appropriated from the environment and natural
7.29 resources trust fund to the commissioner of natural resources for a grant to the Rice Creek
7.30 Watershed District for flood hazard mitigation projects in the marked Interstate Highway
7.31 35W corridor, including constructing water storage and treatment basins and augmenting
7.32 water conveyance systems, to alleviate flooding in the cities of New Brighton, St. Anthony
7.33 Village, and Roseville.

8.1 (j) The appropriations in this section are onetime and Minnesota Statutes, chapter 116P,
8.2 does not apply to these appropriations or to projects funded with these appropriations.

8.3 Sec. 5. **REPEALER.**

8.4 Minnesota Statutes 2024, sections 116X.01, subdivisions 2 and 4; and 116X.05, are
8.5 repealed.

8.6 Sec. 6. **EFFECTIVE DATE.**

8.7 Sections 1 to 5 are effective the day following final enactment."

8.8 Amend the title as follows:

8.9 Page 1, line 3, after the second semicolon, insert "creating and modifying grant programs;
8.10 requiring a report;"

8.11 Correct the title numbers accordingly

8.12 With the recommendation that when so amended the bill be placed on the General
8.13 Register.

8.14 This Committee action taken March 11, 2025

8.15, Chair