



Minnesota Outdoor Heritage Alliance

February 15, 2022

RE: HF2917 Lottery in lieu

Chair Hansen and Members of the Environment and Natural Resources Finance and Policy Committee:

The Minnesota Outdoor Heritage Alliance writes in support of HF2917, which increases funds for hunting and fishing programs, as well as parks and trails, during a time when our outdoor resources are seeing unprecedented interest and demand from Minnesotans.

In the year 2000, the Legislature dedicated 97% of the “Lottery in lieu” of sales tax on Lottery tickets to outdoor projects. The percentage allocation was cut to 72.43% during a time of massive budget deficits. Natural resource funding is often one of the first priorities cut in times of budget crises, even though many Minnesotans get their greatest solace from experiencing the outdoors. With Minnesota now operating under a budget surplus, it would be appropriate for the Legislature to return the percentage allocations to 2000 levels and better reflect the original intent for the dollars *and* for what the Lottery is marketed to the public for—enhancing our land and waters, our parks and trails and even the Minnesota Zoo.

Investments in our natural resources, parks and trails along with outdoor experiences through Minnesota Lottery Funds is good policy, Minnesotans have exhibited increased demand for these places and spaces, and the state’s investment therein will improve Minnesotans’ lives.

Thank you for your work on this important policy,

David Carlson, President
Minnesota Outdoor Heritage Alliance



Minnesota Center for Environmental Advocacy

TESTIMONY ON HF 2917

Aaron Klemz, Minnesota Center for Environmental Advocacy

February 17, 2022

Members of the House Environment and Natural Resources Policy and Finance Committee:

On behalf of the Minnesota Center for Environmental Advocacy (MCEA) I'm testifying in favor of HF 2917 (Hansen) to restore the original dedication of the fees collected in lieu of sales tax on lottery sales. MCEA is a nonprofit organization with almost 50 years of experience using law and science to protect Minnesota's environment and the health of its people. Returning the lottery-in-lieu allocations to the original percentage is consistent with the dedication of funds from the lottery to environmental needs.

Under Minnesota law, the Lottery is exempt from sales taxes. However, an in lieu fee equal to Minnesota Sales Tax is collected on lottery sales, and allocated between a number of dedicated funds (including the Heritage Enhancement Account, State Parks and Trails, Park Grants, Local Trail Grants, and Zoos.) When the in lieu fee was established, 97% of the collected fee revenue was distributed to these funds. In 2001, that amount was reduced to 87%, and in 2003 further reduced to 72.43%. The remainder is sent to the General Fund. HF 2917 would return the percentage of fees to the original amount of 97%.

It's worth noting that current statute (297A.94) requires that these dedicated funds "may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes." In addition, MS 297A.94 requires that land acquired with these funds be available for hunting and fishing and that 87% of money allocated to the Game and Fish Fund shall be spent on field operations.

Minnesota's dedicated environmental funds are popular and successful. Minnesota's investments in our outdoor heritage, parks, trails, and zoos create a significant return in communities across the state. MCEA supports HF 2917 (Hansen) / SF 2766 (Ruud) to return the lottery-in-lieu fees to their original allocations, which would increase these investments creating benefits for all Minnesotans.

Sincerely,

Aaron Klemz
Chief Strategy Officer
Minnesota Center for Environmental Advocacy



**BACKCOUNTRY
HUNTERS & ANGLERS**
MINNESOTA

Dear Chairperson and Members of the Environment and Natural Resources Finance and Policy Committee,

Backcountry Hunters & Anglers Minnesota values the traditions, culture, and opportunities that wild spaces support. We work to protect and enrich wildlife and wild places that serve as the conduit to connect Minnesotans to their outdoor riches. We write to express our support for HF 2917, and to speak up for the wild places where these dollars will be put to work. The changes proposed will be returning revenue back to the outdoor heritage fund at a time when those resources are needed to support all types of outdoor recreation.

The last two years have seen tremendous increases in the use of our public lands and waters. This legislation not only supports hunting and angling lands, it also increases funding for both metropolitan and greater Minnesota parks and trails offering undeveloped spaces for all Minnesotans to connect to the outdoors.

Like most of North America, Minnesota's landscapes are now dominated by development. Our public lands are some of the last places to find valuable yet rare ecosystems—and they are supported by these dollars. From the water filtering capacities of our wetlands to the rare birds nesting in prairie remnants, we must continue to acquire, protect, restore, and manage our wild spaces. This funding will go a long way in the fight to retain places on our landscape where public lands, waters, and wildlife can serve Minnesotans.

Our Department of Natural resources is constantly falling behind in the fight to maintain our natural assets. With 87% of these dollars directed to field operations, these funds are already set up to be applied where they can make the greatest difference for public land users. We'd like to see the full 87% or more of these funds go to filling open field staff positions, conducting habitat management efforts that have been back-burnered, and ensuring that when Minnesotans tread into their public lands they are walking into high-quality habitats rich with wildlife.

Our support for HF 2917 is rooted in the hope that these dollars will help to ensure high quality outdoor recreation is available to every Minnesotan, and that our wild places will continue to thrive with proper support.

Sincerely,

Mike Verhoeven
Policy Committee
Backcountry Hunters & Anglers
Minnesota

