

1.1 ..... moves to amend H.F. No. 1900, the first engrossment, as follows:

1.2 Page 2, line 1, reinstate the stricken language and delete "50"

1.3 Page 3, delete subdivision 1 and insert:

1.4 "Subdivision 1. Establishment; grants. (a) The commissioner must establish the  
1.5 environment and natural resources trust fund community grant program for the benefit of  
1.6 current residents and future generations.

1.7 (b) The commissioner must award grants under the program for purposes authorized  
1.8 under Minnesota Constitution, article XI, section 14, but have not traditionally been funded  
1.9 from that source. The commissioner must provide at least two grant award cycles per calendar  
1.10 year and must ensure that grants are awarded and deployed under the program in as  
1.11 expeditious a manner as possible."

1.12 Page 4, line 22, delete "as follows" and insert "and the appointees must include"

1.13 Page 4, delete lines 23 to 30 and insert:

1.14 "(1) two members who are members of the Ojibwe Tribe;

1.15 (2) two members who are members of the Dakota Tribe; and

1.16 (3) four members who identify as Black or African American, Hispanic or Latino, Asian,  
1.17 or Pacific Islander or as members of a community of color.

1.18 (b) In addition to the members appointed under paragraph (a), the commissioner, in  
1.19 consultation with the commissioners of health and of the Pollution Control Agency, may  
1.20 appoint up to eight additional residents of Minnesota to the advisory council when, in the  
1.21 commissioner's discretion, it is necessary in order to ensure that the advisory council is  
1.22 sufficiently representative of various Minnesota communities.

2.1 (c) The commissioner must make appointments to the advisory council under this  
2.2 subdivision that result in substantially equal representation of rural, suburban, and urban  
2.3 communities."

2.4 Page 5, delete lines 1 to 5

2.5 Reletter the paragraphs in sequence

2.6 Page 6, delete sections 5 and 6

2.7 Page 7, after line 11, insert:

2.8 "Sec. 8. **FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY**  
2.9 **RECIPIENTS.**

2.10 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the  
2.11 meanings given.

2.12 (b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

2.13 (c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

2.14 Subd. 2. **Financial information required; determination of ability to perform.** Before  
2.15 an agency awards a competitive, legislatively named, single-source, or sole-source grant,  
2.16 the agency must assess the risk that a grantee cannot or would not perform the required  
2.17 duties. In making this assessment, the agency must review the following information:

2.18 (1) the grantee's history of performing duties similar to those required by the grant,  
2.19 whether the size of the grant requires the grantee to perform services at a significantly  
2.20 increased scale, and whether the size of the grant will require significant changes to the  
2.21 operation of the grantee's organization;

2.22 (2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ  
2.23 filed with the Internal Revenue Service in each of the prior three years. If the grantee has  
2.24 not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the  
2.25 grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must  
2.26 instead submit the grantee's most recent board-reviewed financial statements and  
2.27 documentation of internal controls;

2.28 (3) for a for-profit business, three years of federal and state tax returns, current financial  
2.29 statements, certification that the business is not under bankruptcy proceedings, and disclosure  
2.30 of any liens on its assets. If a business has not been in business long enough to have three  
2.31 years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee  
2.32 has appropriate internal financial controls;

3.1 (4) evidence of registration and good standing with the secretary of state under Minnesota  
3.2 Statutes, chapter 317A, or other applicable law;

3.3 (5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent  
3.4 financial audit performed by an independent third party in accordance with generally accepted  
3.5 accounting principles; and

3.6 (6) certification, provided by the grantee, that none of its principals have been convicted  
3.7 of a financial crime.

3.8 Subd. 3. **Additional measures for some grantees.** The agency may require additional  
3.9 information and must provide enhanced oversight for grants that have not previously received  
3.10 state or federal grants for similar amounts or similar duties and so have not yet demonstrated  
3.11 the ability to perform the duties required under the grant on the scale required.

3.12 Subd. 4. **Assistance from administration.** An agency without adequate resources or  
3.13 experience to perform obligations under this section may contract with the commissioner  
3.14 of administration to perform the agency's duties under this section.

3.15 Subd. 5. **Agency authority to not award grant.** If an agency determines that there is  
3.16 an appreciable risk that a grantee receiving a competitive, single-source, or sole-source  
3.17 grant cannot or would not perform the required duties under the grant agreement, the agency  
3.18 must notify the grantee and the commissioner of administration and give the grantee an  
3.19 opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's  
3.20 concerns within 45 days, the agency must not award the grant.

3.21 Subd. 6. **Legislatively named grantees.** If an agency determines that there is an  
3.22 appreciable risk that a grantee receiving a legislatively named grant cannot or would not  
3.23 perform the required duties under the grant agreement, the agency must notify the grantee,  
3.24 the commissioner of administration, the chair and ranking minority member of the Ways  
3.25 and Means Committee in the house of representatives, the chair and ranking minority member  
3.26 of the Finance Committee in the senate, and the chairs and ranking minority members of  
3.27 the committees in the house of representatives and the senate with primary jurisdiction over  
3.28 the bill in which the money for the grant was appropriated. The agency must give the grantee  
3.29 an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's  
3.30 concerns within 45 days, the agency must delay award of the grant until adjournment of the  
3.31 next regular or special legislative session.

3.32 Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to  
3.33 other organizations to perform duties required under the grant agreement, the agency must  
3.34 be a party to agreements between the grantee and a subgrantee. Before entering agreements

4.1 for subgrants, the agency must perform the financial review required under this section with  
4.2 respect to the subgrantees.

4.3 Subd. 8. **Effect.** The requirements of this section are in addition to other requirements  
4.4 imposed by law; the commissioner of administration under Minnesota Statutes, sections  
4.5 16B.97 and 16B.98; or agency grant policy."

4.6 Renumber the sections in sequence and correct the internal references

4.7 Amend the title accordingly