

Chair Paul Marquart
House Taxes Committee
597 State Office Building
St. Paul, MN 55155

RE: Omnibus Tax bill DE2, HF 991

April 6, 2021

Chair Marquart and members of the Committee:

Thank you for the opportunity to provide comments as the Committee reviews the delete-all amendment to HF 991, the omnibus tax bill. We write to encourage the Committee to reconsider an item proposed in the delete-all amendment when finalizing the bill.

A provision in Article 13, Section 2 would strike language currently in statute that directs a transfer of future general fund surplus revenues to the Clean Water Fund up to \$22 million. This provision was first added to statute in 2017 when the Legislature used the Clean Water Fund to fund Soil and Water Conservation Districts' (SWCDs) administrative capacity on a one-time basis. While this provision was added to statute in a prior biennium to compensate the Clean Water Fund at that time, it appears the Legislature plans to use Clean Water Funds another time to provide a short-term funding solution to finance the work of SWCDs. The utility of this line in statute could continue for another biennium.

We recognize the inclusion of \$12 million proposed for SWCD capacity grants separately in the House's Environment Finance and Policy Omnibus Bill is meant to be a temporary solution with the promise of a long-term funding solution for SWCDs. We appreciate and support the need to identify a long-term funding solution outside the Clean Water Fund. Until a permanent funding solution is identified and supported by the Legislature, we encourage the Legislature to keep this provision and once again compensate the Clean Water Fund if it is used for SWCD capacity funding.

Sincerely,

Stephanie Pinkalla
Government Relations Manager
The Nature Conservancy in Minnesota