

## Overview

In 2008, Minnesota voters passed a constitutional amendment,<sup>1</sup> often referred to as the “Legacy Amendment,” that increased the state’s sales tax by 3/8ths of one percent for 25 years and dedicated the receipts to four separate funds (ends June 30, 2034). The amendment requires that the funds “supplement traditional sources of funding” and prohibits the funds from being used as a substitute. A 25-year plan for each of the four funds was required by the legislature in 2009 and the plans have been used in varying degrees to guide the use of the funds. This publication provides detail on the three natural resource related funds established by the amendment: the outdoor heritage fund, the clean water fund, and the parks and trails fund. For information on the arts and cultural heritage fund, please see <https://www.house.leg.state.mn.us/hrd/pubs/artculthf.pdf>.

## I. Outdoor Heritage Fund

This fund receives 33 percent of the revenues (averaging approximately \$105,000,000 per year over the last three fiscal years) and must be used **“to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife”** (land acquired with money from the fund must be open to public hunting and fishing during the open season unless otherwise provided by law).

### Lessard-Sams Outdoor Heritage Council (LSOHC)

The LSOHC, which was established upon enactment of the legacy amendment, provides recommendations to the legislature on the use of the outdoor heritage fund. The LSOHC is made up of 12 members, four legislators (two from each body with one from the majority party and one from the minority party), and eight citizens (four appointed by the Governor, two appointed by the House of Representatives and two appointed by the Senate).

The council typically puts out a request for proposal (RFP) and then selects projects based upon a review of the applications and presentations by applicants. It then puts together an annual funding bill that is typically introduced by legislative members of the council (their recommendations are due by January 15 each year).

As part of the legislation that created the LSOHC, additional statutory requirements<sup>2</sup> were established for spending the funds including a requirement to establish a “conservation partners program” in order to encourage and support local conservation efforts. The conservation partners legacy grant program has received an average of approximately \$9,400,000 over the last three years. The program allows organizations to apply directly to the Department of Natural Resources (DNR) for smaller grants (up to \$400,000).

The remaining funds have typically been distributed to the DNR for various land acquisition and restoration and enhancement projects, the Board of Water and Soil Resources (BWSR) for conservation easements programs like the Reinvest in Minnesota (RIM) program, and to various nonprofits like

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<sup>1</sup> Minnesota Constitution, Article XI, Section 15.

<sup>2</sup> Minnesota Statutes, section 97A.056.

Pheasants Forever, Trout Unlimited, Trust for Public Land, and Ducks Unlimited for similar conservation work.

## **II. Clean Water Fund**

This fund receives 33 percent of the revenues (averaging approximately \$105,000,000 per year over the last three fiscal years) and must be used **“to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation”** (at least five percent of the funds must be spent to protect drinking water sources).

### **Clean Water Council**

The Clean Water Council (CWC) provides recommendations on the use of clean water funds. This has been required by statute since 2011, but the council actually predates the legacy amendment and has been providing recommendations since the beginning.

The council is made up of 28 members, including 17 voting members (citizens appointed by the Governor representing various stakeholders) and 11 non-voting members (one representative from seven different state entities and four legislators). The state entities represented are the Pollution Control Agency (PCA), Department of Agriculture (MDA), Department of Health (MDH), Department of Natural Resources (DNR), the Board of Water and Soil Resources (BWSR); the University of Minnesota; and the Metropolitan Council.

The CWC’s process is different from the process used by the LSOHC. The council largely makes recommendations for programs at state agencies based on agency input, rather than evaluating specific projects. The council is required to produce a report with their recommendations by December 1 of each even-numbered year. The Governor and the legislature then use those recommendations to craft the state’s budget for the next biennium.

The funds have historically been used to fund programs at member agencies and the Public Facilities Authority (PFA). The majority of the funds go towards protection/restoration activities like grants for on the ground practices through BWSR, it also funds monitoring and assessment activities through the PCA and DNR, and drinking water protection efforts.

## **III. Parks and Trails Fund**

This fund receives 14.25 percent of the revenues (averaging about \$45,400,000 per year over the last three fiscal years) and must be used **“to support parks and trails of regional or statewide significance.”**

There is not a permanent council or other group established to make recommendations for the use of the parks and trails funds. However, in 2011, after a contentious debate over how to divide funding between state parks and trails, metro parks and trails, and Greater Minnesota parks and trails, a law was passed requiring the DNR to convene a nine-member working group to develop “consensus

recommendations” for the next biennium (2014-2015 budget).<sup>3</sup> The working group came back with recommendations<sup>4</sup> for a 40/40/20 split to be used for fiscal years 2014-2019 as follows:

- 40 percent to the DNR for state parks, state recreation areas, and state trails which is used to address the following four “pillars” identified in the parks and trails 25-year legacy plan:
  - 1) Connect people to the outdoors (marketing, welcoming programming, website enhancement, etc.)
  - 2) Acquire land, create opportunities (acquisition of state park inholdings, high-priority trail connections, etc.)
  - 3) Take care of what we have (accelerate rehabilitation and preservation of natural resources)
  - 4) Coordinate among partners
- 40 percent to the Metropolitan Council for metropolitan parks and trails which is distributed according to a statutory formula<sup>5</sup> to 11 different implementing agencies.
- 20 percent for grants to regional parks and trails in Greater Minnesota. Initially there was some basic statutory guidance for the DNR on the distribution of the grants for regional parks and trails. In 2013, the Greater Minnesota Parks and Trails Commission was established by law and required to develop criteria for regional parks and trails and submit to the legislature a prioritized list of projects in Greater Minnesota. The commission has 13 members appointed by the governor with one at-large member and two members from each of the regional parks and trails districts. The commission’s funding recommendations are due by January 15 each year.



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<sup>3</sup> Minnesota Laws 2011, First Special Session chapter 6, article 3, section 3, paragraph (f).

<sup>4</sup> “Parks and Trails Legacy Funding Project: Recommendations from the Work Group to the Minnesota Department of Natural Resources, November 2012; <https://files.dnr.state.mn.us/aboutdnr/reports/legislative/2013-pat-final-report.pdf>.

<sup>5</sup> Minnesota Statutes, section 85.53, subdivision 3.