

The 3/16 Bill

History

In the 2001 session, bills were introduced (H.F. 1671/S.F. 1589) that proposed to amend the Minnesota Constitution and dedicate 3/16 of 1 percent of taxable sales revenue for natural resources purposes. They became known as “the 3/16 bills.” Both bills started receiving serious consideration late in the 2002 session when gubernatorial candidates at the time expressed support for the concept, but neither became law.

Amount and dollar division

If the 3/16 dedication was approved by the voters, it would amount to about \$129 million in fiscal year 2006 (the dedication would have to be approved by voters because it would amend the state constitution). It would last until 2026 and, as it ended up last session, 51 percent of the money would go to a conservation heritage enhancement fund, funding fish and wildlife habitat projects; 20 percent for state parks and trails; 20 percent for metropolitan parks and trails; 7 percent for local and regional park and trail grants and grant-in-aid trails; and 2 percent for the state, Como, and Duluth zoos. Additionally, an amendment was added asking the voters to approve a 3/16 dedication for public education.

Council

The 51 percent expenditure slated for the conservation heritage enhancement fund originally was to be decided by a new heritage enhancement council, made up of four nonvoting legislators and 11 citizens representing hunting and fishing interests. The Department of Natural Resources (DNR) objected to this feature, along with some other groups, and it was removed late in the 2002 session.

Need

Most wildlife and sportsmen groups in the state felt current state funding, primarily through the Game and Fish Fund (license revenues), was not keeping up with identified habitat needs. They claim that hunting, fishing, and wildlife activities in Minnesota generate substantially more revenue for the state than the state invests in wildlife programs. There is an estimated \$3 billion annually spent in the state on hunting, fishing, camping, and wildlife-watching activities.

2002 funding

Additionally, the current budget deficit resulted in the DNR’s general fund budget being cut by almost \$13 million in fiscal years 2002-2003, and \$28.6 million in fiscal years 2004-2005. In addition, almost \$50 million in natural resources projects for the DNR in the 2002 bonding law (Chapter 373) were vetoed by the governor.

Other states

The proponents of the 3/16 bills modeled the legislation to some degree on laws existing in Missouri and Arkansas. A 26-year-old permanent law exists in Missouri that dedicates 1/8 of 1 percent of taxable sales revenue for natural resources activities. This amounted to \$88 million in funds last year. Additionally, a separate 1/10 of 1 percent sales tax dedication—which must be renewed by a statewide public vote every six years—was enacted in 1984 to fund state park and soil conservation needs. Because of these laws, Missouri is now only behind California and Florida—much larger states in population and overall state budgets—in total expenditures for conservation purposes.

Missouri has a four-person conservation commission to decide on the sales tax dedication spending. The Missouri Legislature has little control over the dedication budget. Arkansas also dedicates 1/8 of 1 percent of taxable sales revenue to natural resources purposes, but with smaller population and less revenue than Missouri, it amounts to about \$17 million annually.

Next session

In Minnesota for 2003, the conservation groups supporting the 3/16 bills—primarily members of the Minnesota Outdoor Heritage Alliance—are seriously looking at a one-half of 1 percent sales tax dedication. This would raise \$350 million annually for all natural resources purposes, or almost \$175 million more a year than comes from the general fund now. The groups, if successful in getting legislation passed and approval by the voters, would support discontinuing any dollars coming from the general fund for natural resources.

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