

APPOINTMENT LETTER FOR SENATE CONFIRMATION

FILE NUMBER **036**

REPORTED IN THE SENATE JOURNAL **3/10/2005**

APPOINTMENT TO THE **Minnesota Environmental Quality Board**

APPOINTEE AND TERM:

Brenda Elmer

2/10/2005-1/5/2009

REFERRED TO THE COMMITTEE ON **Environment and Natural Resources**



STATE OF MINNESOTA

Office of Governor Tim Pawlenty

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

February 3, 2005

The Honorable James P. Metzen
President of the Senate
322 State Capitol
Saint Paul, Minnesota 55155

Dear Senator Metzen:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

Minnesota Environmental Quality Board:

Brenda Elmer, 4033 2 ½ Street South, Moorhead, Minnesota 56560, in the county of Clay, effective February 10, 2005, for a four-year term that expires on January 5, 2009.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Pawlenty".

Tim Pawlenty
Governor

TP/jb

Enclosures

RECEIVED

FEB 07 2005

President of the Senate

STATE of MINNESOTA

EXECUTIVE



DEPARTMENT

TIM PAWLENTY
GOVERNOR

NOTICE OF APPOINTMENT

BRENDA ELMER

4033 2 ½ Street South
Moorhead, Minnesota 56560
County of Clay
Congressional District Seven

Because of the special trust and confidence I have in your integrity, judgment and ability, I have appointed and commissioned you to have and to hold the said office of:

Public Member

MINNESOTA ENVIRONMENTAL QUALITY BOARD

Effective: February 10, 2005
Term Expires: January 5, 2009

This appointment carries with it all rights, powers, duties, and emoluments granted by law and pertaining to this position until this appointment is superseded or annulled by me or other lawful authority or by any law of this State.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Minnesota to be affixed at the Capitol in the City of Saint Paul, February 3, 2005.



Handwritten signature of Tim Pawlenty in black ink.

Governor

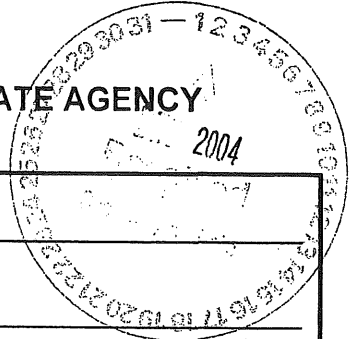
Handwritten signature of Mary Kiffmeyer in black ink.

Secretary of State

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Replacing: Mary Mellen

STATE OF MINNESOTA
OPEN APPOINTMENTS APPLICATION FOR SERVICE ON STATE AGENCY
All information on this form is available to the public upon request.



Agency Name: * ^{MN} Environmental Quality Board
 (Name of board, council, commission or task force to which you are applying.)

Position Sought: Public member
 (Membership position sought or enter "member" if no specific requirements exist for position sought.)

Applicant Name: * Brenda Elmer
 (First Name) (Last Name)

Applicant Address: * 4033 - 2 1/2 St.S. Moorhead MN 56560
 (Street) (City) (State) (Zip)

Day Phone: * (218) 287-1680 ^{cell} Evening Phone: (218) 790-0555

E-MAIL: * brendaelmer@hotmail.com

County: Clay MN House of Rep District: 9A U.S. House of Rep District: 7

* Indicates information that will appear on the Office of the Secretary of State web site: www.sos.state.mn.us

Did the Appointing Authority suggest you submit your application? YES _____ NO X

Any other information the Nominating Person feels would be helpful to the Appointing Authority:
Background includes water and energy related experience as well as legislative experience.

(Statement may continue on reverse or attached sheets)

I swear that, to the best of my knowledge, the above information is correct and that I satisfy all legally prescribed qualifications for the position sought.

Brenda K. Elmer 12-1-04
 (Signature of Applicant)* (Date)

* If another person or group is nominating the applicant, the applicant's signature indicates consent to nomination.

OPTIONAL STATISTICAL INFORMATION

The following information is optional and voluntary. Information is collected for, and compiled in, the annual report on the open appointments process pursuant to *Minnesota Statutes* §15.0597.

Sex: Female Male
 Disability: Yes No

Political Party: Democratic-Farmer-Labor
 Green
 Independence
 Republican
 Other _____
 No party preference

Race*: African American / Black
 American Indian / Alaska Native
 Asian
 Hispanic
 Native Hawaiian / Pacific Islander
 White
 Other Race _____

National Origin: _____
 (Country of Origin or Principle Tribe)

(* Select as many as apply)

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MAIL, FAX, OR SUBMIT APPLICATION IN PERSON, TO: Office of the Secretary of State, Open Appointments
 180 State Office Building
 100 Rev. Dr. Martin Luther King, Jr., Blvd
 St. Paul, MN 55155-1299

FAX: (651) 296-9073
 Phone: (651) 297-5845
 Email: open.appointments@state.mn.us

President of the Senate

Applicants will not receive an acknowledgement of submitted applications; the appointing authority will notify you if an interview is desired. By request, this application will be made available in alternative format (for example, braille, large print, audio tape, or computer disk.)

FOR OFFICE USE: Sub by AA: _____ AA: Governor Trans Date: 12-15-04

BRENDA K. ELMER

4033 2 ½ Street South, Moorhead, MN 56560

(218) 287-1680 home (218) 790-0555 cell

Email: brendaelmer@hotmail.com

EDUCATION

Course Work, Masters of Arts in Public Administration, Hamline University Graduate School. Course work completed includes Public Fiscal Management, Human Resource Management, Administrative Law. GPA: 4.0

Bachelor of Arts, Political Science and **Bachelor of Science**, Mass Communications, Moorhead State University. 1994. Cum Laude. GPA: 3.41

RELEVANT EXPERIENCE

Moorhead Public Service Commission (MPSC), January 2004 to Present

- Appointed by Mayor; one of five commissioners confirmed by Moorhead City Council
- Approve municipal utility budget; establish water and electric policies and rates for consumers (adding wireless internet in 2005); responsible for overseeing daily operations such as approving payments and bids and managing employees; serve on budget committee; plan for long-range projects such as Red River Valley water supply.

Lake Agassiz Water Authority, Associate director, Summer 2004 to Present

- New board established under North Dakota law to plan for regional water needs, distribute water to Red River Valley, and establish rates.

Legislative Experience, Minnesota House of Representatives 1995-2003. Served in various capacities in the House of Representatives:

- Appointments Staff, Office of Governor-elect Tim Pawlenty, St. Paul, MN (2002-2003). On loan from the Office of House Majority Leader.
- Executive Assistant, House Majority Leader Tim Pawlenty, (2001-2003).
- Research Director, House Majority Caucus, (1998-2001). Supervised 14 employees.
- Research Consultant, House Minority Caucus, (1995-1998). Responsible for Health and Human Services issues.
- Constituent Services Writer/Caseworker, House Minority Caucus. (1995).

OTHER PUBLIC SERVICE

Minnesota State Colleges and Universities Trustee Candidate Advisory Council, 2003 to Present

- Interview and recommend candidates for Minnesota State Colleges and Universities Board of Trustees to Governor for consideration.
- Appointed by House Speaker Steve Sviggum.

Minnesota Automobile Assigned Claims Bureau, Public Member, 2003 to Present

- One of five board members implementing the Minnesota No-Fault Automobile Insurance Act by providing personal injury protection benefits to those who qualify but have no policy available to them.
- Appointed by Governor Tim Pawlenty.

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BRENDA K. ELMER

4033 2 ½ Street South, Moorhead, MN 56560
(218) 287-1680 home (218) 790-0555 cell
Email: brendaelmer@hotmail.com

December 1, 2004

Office of Governor Tim Pawlenty
Attention John Berns
130 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Dear John:

Please accept this letter, resume and application for the position of public member on the Minnesota Environmental Quality Board.

My background prepares me well for service on the Environmental Quality Board. As a commissioner on the Moorhead Public Service (MPS) Commission, a customer-owner municipal utility, I have provided active leadership in developing water supply and electricity policies. In addition, I serve on the Lake Agassiz Water Authority, in its goal of assessing regional potable water needs, identifying a supply, and developing a delivery system; helping me in my understanding of environmental issues.

Finally, my legislative experience will be particularly useful in analyzing legislative proposals and determining appropriate state policy.

This letter and resume highlight my experience and qualifications. Please let me know if you require any further information or have questions.

Most sincerely,



Brenda K. Elmer

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FEB 07 2005

President of the Senate



OFFICE OF GOVERNOR TIM PAWLENTY
130 State Capitol • Saint Paul, MN 55155 • (651) 296-0001

NEWS RELEASE

FOR IMMEDIATE RELEASE:
February 3, 2005

Contact: Brian McClung
(651) 296-0001

GOVERNOR PAWLENTY APPOINTS ELMER TO THE MINNESOTA ENVIRONMENTAL QUALITY BOARD

Saint Paul—Governor Tim Pawlenty today announced the appointment of Brenda Elmer to the Minnesota Environmental Quality Board (EQB).

Elmer, of Moorhead, currently serves as a member of the Moorhead Public Service Commission, where she has responsibility for local electric power and water supply issues. She also serves as an Associate Director of the Lake Agassiz Water Authority. Elmer also serves as a member of the Minnesota State Colleges and Universities (MnSCU) Trustee Candidate Advisory Council and as a public member of the Minnesota Automobile Assigned Claims Bureau.

Elmer has extensive prior experience as a staff member of the Minnesota House of Representatives, including serving as Executive Assistant to then House Majority Leader Tim Pawlenty. She received a B.A. in Political Science and a B.S. in Mass Communications from Moorhead State University. Elmer is appointed to a public member position on the EQB and will serve a four-year term which ends January 5, 2009. She replaces Mary Mellen on the EQB.

The Minnesota Environmental Quality Board (EQB) helps coordinate the actions of the major state agencies, and is charged with providing the Governor and the Legislature tools to address environmental issues that do not fit under the other state environmental agencies. The board consists of 16 members, including five public members appointed by the Governor.

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FEB 07 2005

Public Official Information

Environmental Quality Board

Name: Elmer, Brenda
 Occupation: Community Volunteer
 Business Address: 4033 2½ Street South
 Moorhead, MN 56560
 Employer Name:
 Appointment Date: 02/10/05

Sources of Compensation

Applicable categories

Name of Source	Director	Officer	Owner	Member	Partner	Employer	Employee	Honorari
Moorhead Public Service Commission				X				

Securities

Name of Securities
 American Century Fund
 Clamos Growth Fund
 Fidelity OTC Portfolio
 Gabelli Growth Fund
 Janus Adviser International Growth Fund
 Janus Growth & Income Fund
 Janus Mercury Fund
 Selected American Shares

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President of the Senate

Real Property

None Reported

Pari-Mutuel Horse Racing Interests

None Reported

LINKS	
Current Agency	Agency Index

Senators Bakk and Saxhaug introduced--

S.F. No. 610: Referred to the Committee on Environment and Natural Resources.

1 A bill for an act

2 relating to natural resources; modifying disposition
3 of the snowmobile trails and enforcement account;
4 amending Minnesota Statutes 2004, section 84.83,
5 subdivision 3.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

7 Section 1. Minnesota Statutes 2004, section 84.83,
8 subdivision 3, is amended to read:

9 Subd. 3. [PURPOSES FOR THE ACCOUNT.] The money deposited
10 in the account and interest earned on that money may be expended
11 only as appropriated by law for the following purposes:

12 (1) for a grant-in-aid program to counties and
13 municipalities for construction and maintenance of snowmobile
14 trails, including maintenance of trails on lands and waters of
15 Voyageurs National Park, on Lake of the Woods, on Rainy Lake,
16 and on the following lakes in St. Louis County: Burntside,
17 Crane, Echo, Little Long, Mud, Pelican, Shagawa, and Vermilion;

18 (2) for acquisition, development, and maintenance of state
19 recreational snowmobile trails;

20 (3) for snowmobile safety programs; and

21 (4) for the administration and enforcement of sections
22 84.81 to 84.91 and appropriated grants to local law enforcement
23 agencies.

24 [EFFECTIVE DATE.] This section is effective July 1, 2005.

Senators Neville, Marty, Jungbauer and Lourey introduced--

S.F. No. 628: Referred to the Committee on Environment and Natural Resources.

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A bill for an act

relating to game and fish; modifying protection status
of great horned owls; amending Minnesota Statutes
2004, section 97A.015, subdivision 52.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2004, section 97A.015,
subdivision 52, is amended to read:

Subd. 52. [UNPROTECTED BIRDS.] "Unprotected birds" means
English sparrow, blackbird, starling, magpie, cormorant, common
pigeon, chukar partridge, quail other than bob-white quail, and
mute swan~~7--and--great-horned-owl.~~

1 Senator moves to amend S.F. No. 628 as follows:

2 Page 1, after line 11, insert:

3 "Sec. 2. Minnesota Statutes 2004, section 97B.701, is
4 amended by adding a subdivision to read:

5 Subd. 4. [GREAT HORNED OWL.] A person who is authorized to
6 take a great horned owl under a federal permit does not need a
7 state permit to take a great horned owl."

8 Amend the title as follows:

9 Page 1, line 4, delete "section" and insert "sections" and
10 after "52" insert "; 97B.701, by adding a subdivision"

Senators Tomassoni, Bakk and Saxhaug introduced—

S. F. No. 893 Referred to the Committee on State & Local Government Operations

1 A bill for an act

2 relating to counties; authorizing county boards to
3 contract for the sale of biomass; amending Minnesota
4 Statutes 2004, section 282.04, subdivision 1.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. Minnesota Statutes 2004, section 282.04,
7 subdivision 1, is amended to read:

8 Subdivision 1. [TIMBER SALES; LAND LEASES AND USES.] (a)

9 The county auditor may sell timber upon any tract that may be
10 approved by the natural resources commissioner. Except as
11 provided in paragraph (k), the sale of timber shall be made for
12 cash at not less than the appraised value determined by the
13 county board to the highest bidder after not less than one
14 week's published notice in an official paper within the county.

15 Any timber offered at the public sale and not sold may
16 thereafter be sold at private sale by the county auditor at not
17 less than the appraised value thereof, until the time as the
18 county board may withdraw the timber from sale. The appraised
19 value of the timber and the forestry practices to be followed in
20 the cutting of said timber shall be approved by the commissioner
21 of natural resources.

22 (b) Payment of the full sale price of all timber sold on
23 tax-forfeited lands shall be made in cash at the time of the
24 timber sale, except in the case of oral or sealed bid auction
25 sales, the down payment shall be no less than 15 percent of the

1 appraised value, and the balance shall be paid prior to
2 entry except as provided in paragraph (k). In the case of
3 auction sales that are partitioned and sold as a single sale
4 with predetermined cutting blocks, the down payment shall be no
5 less than 15 percent of the appraised price of the entire timber
6 sale which may be held until the satisfactory completion of the
7 sale or applied in whole or in part to the final cutting block.
8 The value of each separate block must be paid in full before any
9 cutting may begin in that block. With the permission of the
10 county contract administrator the purchaser may enter unpaid
11 blocks and cut necessary timber incidental to developing logging
12 roads as may be needed to log other blocks provided that no
13 timber may be removed from an unpaid block until separately
14 scaled and paid for. If payment is provided as specified in
15 this paragraph as security under paragraph (a) and no cutting
16 has taken place on the contract, the county auditor may credit
17 the security provided, less any down payment required for an
18 auction sale under this paragraph, to any other contract issued
19 to the contract holder by the county under this chapter to which
20 the contract holder requests in writing that it be credited,
21 provided the request and transfer is made within the same
22 calendar year as the security was received.

23 (c) The county board may require final settlement on the
24 basis of a scale of cut products. Any parcels of land from
25 which timber is to be sold by scale of cut products shall be so
26 designated in the published notice of sale under paragraph (a),
27 in which case the notice shall contain a description of the
28 parcels, a statement of the estimated quantity of each species
29 of timber, and the appraised price of each species of timber for
30 1,000 feet, per cord or per piece, as the case may be. In those
31 cases any bids offered over and above the appraised prices shall
32 be by percentage, the percent bid to be added to the appraised
33 price of each of the different species of timber advertised on
34 the land. The purchaser of timber from the parcels shall pay in
35 cash at the time of sale at the rate bid for all of the timber
36 shown in the notice of sale as estimated to be standing on the

1 land, and in addition shall pay at the same rate for any
2 additional amounts which the final scale shows to have been cut
3 or was available for cutting on the land at the time of sale
4 under the terms of the sale. Where the final scale of cut
5 products shows that less timber was cut or was available for
6 cutting under terms of the sale than was originally paid for,
7 the excess payment shall be refunded from the forfeited tax sale
8 fund upon the claim of the purchaser, to be audited and allowed
9 by the county board as in case of other claims against the
10 county. No timber, except hardwood pulpwood, may be removed
11 from the parcels of land or other designated landings until
12 scaled by a person or persons designated by the county board and
13 approved by the commissioner of natural resources. Landings
14 other than the parcel of land from which timber is cut may be
15 designated for scaling by the county board by written agreement
16 with the purchaser of the timber. The county board may, by
17 written agreement with the purchaser and with a consumer
18 designated by the purchaser when the timber is sold by the
19 county auditor, and with the approval of the commissioner of
20 natural resources, accept the consumer's scale of cut products
21 delivered at the consumer's landing. No timber shall be removed
22 until fully paid for in cash. Small amounts of timber not
23 exceeding \$3,000 in appraised valuation may be sold for not less
24 than the full appraised value at private sale to individual
25 persons without first publishing notice of sale or calling for
26 bids, provided that in case of a sale involving a total
27 appraised value of more than \$200 the sale shall be made subject
28 to final settlement on the basis of a scale of cut products in
29 the manner above provided and not more than two of the sales,
30 directly or indirectly to any individual shall be in effect at
31 one time.

32 (d) As directed by the county board, the county auditor may
33 lease tax-forfeited land to individuals, corporations or
34 organized subdivisions of the state at public or private sale,
35 and at the prices and under the terms as the county board may
36 prescribe, for use as cottage and camp sites and for

1 agricultural purposes and for the purpose of taking and removing
2 of hay, stumpage, sand, gravel, clay, rock, marl, and black dirt
3 from the land, and for garden sites and other temporary uses
4 provided that no leases shall be for a period to exceed ten
5 years; provided, further that any leases involving a
6 consideration of more than \$12,000 per year, except to an
7 organized subdivision of the state shall first be offered at
8 public sale in the manner provided herein for sale of timber.
9 Upon the sale of any leased land, it shall remain subject to the
10 lease for not to exceed one year from the beginning of the term
11 of the lease. Any rent paid by the lessee for the portion of
12 the term cut off by the cancellation shall be refunded from the
13 forfeited tax sale fund upon the claim of the lessee, to be
14 audited and allowed by the county board as in case of other
15 claims against the county.

16 (e) As directed by the county board, the county auditor may
17 lease tax-forfeited land to individuals, corporations, or
18 organized subdivisions of the state at public or private sale,
19 at the prices and under the terms as the county board may
20 prescribe, for the purpose of taking and removing for use for
21 road construction and other purposes tax-forfeited stockpiled
22 iron-bearing material. The county auditor must determine that
23 the material is needed and suitable for use in the construction
24 or maintenance of a road, tailings basin, settling basin, dike,
25 dam, bank fill, or other works on public or private property,
26 and that the use would be in the best interests of the public.
27 No lease shall exceed ten years. The use of a stockpile for
28 these purposes must first be approved by the commissioner of
29 natural resources. The request shall be deemed approved unless
30 the requesting county is notified to the contrary by the
31 commissioner of natural resources within six months after
32 receipt of a request for approval for use of a stockpile. Once
33 use of a stockpile has been approved, the county may continue to
34 lease it for these purposes until approval is withdrawn by the
35 commissioner of natural resources.

36 (f) The county auditor, with the approval of the county

1 board is authorized to grant permits, licenses, and leases to
2 tax-forfeited lands for the depositing of stripping, lean ores,
3 tailings, or waste products from mines or ore milling plants,
4 upon the conditions and for the consideration and for the period
5 of time, not exceeding 15 years, as the county board may
6 determine. The permits, licenses, or leases are subject to
7 approval by the commissioner of natural resources.

8 (g) Any person who removes any timber from tax-forfeited
9 land before said timber has been scaled and fully paid for as
10 provided in this subdivision is guilty of a misdemeanor.

11 (h) The county auditor may, with the approval of the county
12 board, and without first offering at public sale, grant leases,
13 for a term not exceeding 25 years, for the removal of peat and
14 for the production or removal of closed-loop biomass as defined
15 in section 216B.2424, subdivision 1, or short rotation woody
16 crops from tax-forfeited lands upon the terms and conditions as
17 the county board may prescribe. Any lease for the removal of
18 peat from tax-forfeited lands must first be reviewed and
19 approved by the commissioner of natural resources if the lease
20 covers 320 or more acres. No lease for the removal of peat
21 shall be made by the county auditor pursuant to this section
22 without first holding a public hearing on the auditor's
23 intention to lease. One printed notice in a legal newspaper in
24 the county at least ten days before the hearing, and posted
25 notice in the courthouse at least 20 days before the hearing
26 shall be given of the hearing.

27 (i) Notwithstanding any provision of paragraph (c) to the
28 contrary, the St. Louis County auditor may, at the discretion of
29 the county board, sell timber to the party who bids the highest
30 price for all the several kinds of timber, as provided for sales
31 by the commissioner of natural resources under section 90.14.
32 Bids offered over and above the appraised price need not be
33 applied proportionately to the appraised price of each of the
34 different species of timber.

35 (j) In lieu of any payment or deposit required in paragraph
36 (b), as directed by the county board and under terms set by the

1 county board, the county auditor may accept an irrevocable bank
2 letter of credit in the amount equal to the amount otherwise
3 determined in paragraph (b), exclusive of the down payment
4 required for an auction sale in paragraph (b). If an
5 irrevocable bank letter of credit is provided under this
6 paragraph, at the written request of the purchaser, the county
7 may periodically allow the bank letter of credit to be reduced
8 by an amount proportionate to the value of timber that has been
9 harvested and for which the county has received payment. The
10 remaining amount of the bank letter of credit after a reduction
11 under this paragraph must not be less than 20 percent of the
12 value of the timber purchased. If no cutting of timber has
13 taken place on the contract for which a letter of credit has
14 been provided, the county may allow the transfer of the letter
15 of credit to any other contract issued to the contract holder by
16 the county under this chapter to which the contract holder
17 requests in writing that it be credited.

18 (k) A county board may, without first offering at public
19 sale, enter into a contract with a municipal public utility as
20 defined in section 216B.02 or to an organized or incorporated
21 governmental subdivision of the state for the sale of
22 closed-loop biomass, as defined in section 216B.2424,
23 subdivision 1, or short rotation woody crops.

- 1 Senator moves to amend S.F. No. 893 as follows:
- 2 Page 1, lines 10 and 11, delete the new language
- 3 Page 2, line 2, delete the new language
- 4 Page 5, line 15, delete "short rotation" and insert
- 5 "short-rotation"
- 6 Page 5, lines 18 and 20, after "peat" insert ", closed-loop
- 7 biomass, or short-rotation woody crops"
- 8 Page 6, delete lines 18 to 23

Senators Bakk, Tomassoni and Saxhaug introduced--

S.F. No. 1342: Referred to the Committee on Environment and Natural Resources.

1 A bill for an act

2 relating to natural resources; modifying certain
3 exemptions for an iron nugget production scale
4 demonstration facility; amending Laws 2004, chapter
5 220, section 1.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

7 Section 1. Laws 2004, chapter 220, section 1, is amended
8 to read:

9 Section 1. [ENVIRONMENTAL REVIEW; IRON NUGGET PRODUCTION
10 SCALE DEMONSTRATION FACILITY EXEMPTION.]

11 (a) The first iron nugget production scale demonstration
12 facility that meets all of the criteria in this section shall be
13 exempt from environmental review under Minnesota Statutes,
14 chapter 116D and Minnesota Rules, chapter 4410. The qualifying
15 project must:

16 (1) be the first iron nugget production scale demonstration
17 facility in Minnesota;

18 (2) involve a single rotary hearth furnace of maximum
19 outside pitch circle diameter, as measured from the midpoint of
20 hearth to the midpoint of hearth, of 60 meters;

21 (3) be located outside the area adjacent to the north shore
22 of Lake Superior classified as the lake orientation zone in the
23 Department of Natural Resources report entitled "North Shore
24 Characterization Study"; and

25 (4) have complete permit applications submitted to the

1 appropriate state agencies ~~in-calendar-year-2004~~ by June 30,
2 2005, for all permits required to construct and operate the
3 facility.

4 (b) The Department of Natural Resources, the Environmental
5 Quality Board, the Pollution Control Agency, and any other state
6 agency with applicable permit-granting authority shall provide
7 public notice for any necessary permits for the iron nugget
8 production scale demonstration facility within four months of
9 receiving complete applications.

10 (c) If the first iron nugget production scale demonstration
11 facility to qualify for this exemption is proposed at a
12 stationary source that has permitted taconite pellet furnaces,
13 permanent shutdown of those pellet furnaces, prior to start-up
14 of the iron nugget production scale demonstration facility,
15 shall be a requirement in the iron nugget production scale
16 demonstration facility air quality permit. The shutdown of
17 these furnaces shall not be creditable in calculating the "net
18 emissions increase," as defined in Code of Federal Regulations,
19 title 40, section 52.21, for this project.

20 (d) The Pollution Control Agency shall strive in the
21 permitting process to assure the lowest mercury emissions
22 reasonably possible.

23 (e) Permit applications must comply with applicable law,
24 except that an iron nugget production scale demonstration
25 facility that meets the criteria in this section is exempt from
26 environmental review under Minnesota Statutes, chapter 116D and
27 Minnesota Rules, chapter 4410, and the company is not required
28 to perform an environmental review before permits are issued for
29 the iron nugget production scale demonstration facility.

30 (f) The construction and operation of the iron nugget
31 production scale demonstration facility will demonstrate whether
32 the technology is technically and economically feasible at this
33 larger scale. Environmental data from the operation of the iron
34 nugget production scale demonstration facility may be used in
35 the environmental review and permitting of commercial scale
36 facilities built elsewhere in Minnesota.

1 (g) The exemption does not affect any existing permit
2 requirement that may require environmental review for a
3 commercial scale iron nugget facility at an existing taconite
4 facility located within the area adjacent to the north shore of
5 Lake Superior classified as the lake orientation zone in the
6 Department of Natural Resources report entitled "North Shore
7 Characterization Study."

8 [EFFECTIVE DATE.] This section is effective the day
9 following final enactment.

1 Senator moves to amend S.F. No. 1342 as follows:

2 Page 1, after line 6, insert:

3 "Section 1. Minnesota Statutes 2004, section 116.915,
4 subdivision 3, is amended to read:

5 Subd. 3. [PROGRESS REPORTS.] The commissioner, in
6 cooperation with the director of the Office of Environmental
7 Assistance, shall submit progress reports to the legislature on
8 October 15, 2001, and October 15, 2005. The reports shall
9 address the state's success in meeting the mercury release
10 reduction goals of subdivision 1, and discuss whether different
11 voluntary or mandatory reduction strategies are needed. The
12 reports shall also discuss whether the reduction goals are still
13 appropriate given the most recent information regarding mercury
14 risks. In the report due October 15, 2005, the commissioner
15 shall describe the reductions made in mercury emissions since
16 1990 by each individual sector, including, but not limited to,
17 materials processing, energy production, and intentional use,
18 and shall estimate the amount of the reduction achieved in each
19 sector overall and specifically as a result of implementing a
20 voluntary reduction plan. The report must also contain revised
21 estimates of mercury emissions by individual sectors in 1990,
22 1995, 2000, and 2005."

23 Renumber the sections in sequence and correct the internal
24 references

25 Amend the title accordingly

Senators Bakk, Saxhaug and Sams introduced--

S.F. No. 1534: Referred to the Committee on Environment and Natural Resources.

1 A bill for an act

2 relating to natural resources; modifying snowmobile
3 state trail sticker provisions; providing for payment
4 of trail maintenance costs; providing for trail
5 easement acquisition; appropriating money; amending
6 Minnesota Statutes 2004, sections 84.8205, subdivision
7 1; 84.83, by adding subdivisions.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

9 Section 1. Minnesota Statutes 2004, section 84.8205,
10 subdivision 1, is amended to read:

11 Subdivision 1. [STICKER REQUIRED; FEE.] A person may not
12 operate a snowmobile ~~that-is-not-registered-in-this-state~~ on a
13 state or grant-in-aid snowmobile trail unless a snowmobile state
14 trail sticker is affixed to the snowmobile. The commissioner of
15 natural resources shall issue a sticker upon application and
16 payment of a ~~\$15~~ \$30 fee. The sticker is valid from November 1
17 through April 30. Fees collected under this section shall be
18 deposited in the state treasury and credited to the snowmobile
19 trails and enforcement account in the natural resources fund and
20 must be used for grants-in-aid.

21 Sec. 2. Minnesota Statutes 2004, section 84.83, is amended
22 by adding a subdivision to read:

23 Subd. 3a. [PAYMENT OF MAINTENANCE COSTS.] The commissioner
24 must pay 90 percent of the maintenance costs under subdivision
25 3, clause (1), except that trail grooming must be paid at a rate
26 of at least \$80 per hour.

1 Sec. 3. Minnesota Statutes, section 84.83, is amended by
2 adding a subdivision to read:

3 Subd. 6. [EASEMENT ACQUISITION; APPROPRIATION.] (a) The
4 position of trails acquisition coordinator is created in the
5 classified service under the commissioner of natural resources.
6 The coordinator is responsible for acquiring easements for
7 permanent recreational snowmobile trails.

8 (b) \$500,000 is annually appropriated from the snowmobile
9 trails and enforcement account to the commissioner to acquire
10 easements for permanent recreational snowmobile trails.

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S.F. No. 1809 - Minnesota Conservation Heritage Foundation

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Date: April 5, 2005

Section 1 [Foundation Definition] defines "foundation" as the Minnesota Conservation Heritage Foundation for the purposes of the Environment and Natural Resources Trust Fund chapter.

Section 2 [Traditional Funding Sources] eliminates the requirement for a determination of the state budget from traditional sources.

Section 3 [Audit] requires an audit by the Legislative Auditor of the books and records of the Minnesota Conservation Heritage Foundation.

Section 4 [Minnesota Conservation Heritage Foundation]

Subdivision 1 [Membership] establishes the Minnesota Conservation Heritage Foundation Board of 11 members appointed by the Governor, with the advice and consent of the Minnesota Senate. The terms of the members are six years and not more than six members may be from one political party. At least one member must be appointed from each congressional district. Board members must demonstrate expertise and experience in natural resources management and not be a paid employee of a natural resource management organization. Board members may be removed by a vote of eight board members in favor of removal.

Subdivision 2 [Chair; Vice Chair] provides that the chair of the board is selected by the Governor and the vice chair selected by the members.

Subdivision 3 [Quorum] provides that a quorum is a majority of the board members. A vote to hire or remove a director or to use funds for debt service requires eight votes in favor.

Subdivision 4 [Duties] directs the board to adopt a strategic plan and make expenditures as required. The board may adopt operating and grant-making procedures. If rulemaking is necessary, the board may use the expedited rulemaking process.

Subdivision 5 [Statutory Appropriation; Trust Fund] provides a statutory annual appropriation, beginning July 1, 2007, of 5.5 percent of the corpus of the Environment and Natural Resources Trust Fund that is available until expended.

Subdivision 6 [Statutory Appropriation; Conservation Heritage Account] creates a Conservation Heritage Account in the Natural Resources Fund and provides a statutory appropriation of the account that is available until expended.

Subdivision 7 [Gifts] allows the foundation to accept gifts of money or property and use it for the purposes for which it is granted. The Commissioner of Finance shall maintain the necessary accounts for this purpose. Interest in lands may be sold as provided for DNR land sales.

Section 5 [Information Gathering] allows the foundation flexibility in gathering information for establishing priorities.

Section 6 [Expenditures] spells out the general purposes of the expenditures from the Environment and Natural Resources Trust Fund and provides a priority for spending on Reinvest in Minnesota resources purposes. Money may be used for projects with a recreational purpose. Money from the Conservation Heritage Account or funds from sources other than the Environment and Natural Resources Trust Fund may be used for administrative purposes.

Section 7 [Strategic Plan] requires a ten-year strategic plan for expenditures by the foundation that must be updated every two years. Funding allocation decisions must be according to the strategic plan. By January 15 of each odd-numbered year, the plan must be submitted to the chairs of the House and Senate committees with jurisdiction over environment and natural resources policy and finance.

Section 8 [Public Meetings] eliminates the requirement to attempt to meet at least once each biennium in each of the state's congressional districts.

Sections 9 and 10 [Peer Review] eliminates the requirement that all research projects must be peer reviewed and gives the foundation some discretion on whether peer review is used and a peer review panel is established.

Section 11 [Administration] makes a number of technical changes to the current law on administration related to the transfer of authority from the LCMR to the foundation and provides that:

1. the administrative expenses cap is \$500,000;
2. specific activities are considered conflicts of interest; and
3. the biennial report must include a summary of the foundation's conservation achievements and a description of how the projects relate to the constitutional dedication of the Environment and Natural Resources Trust Fund.

Sections 12 to 14 [Technical]

Section 15 [LAWCON Funds] allocates \$1.5 million per year to the Conservation Heritage Account from the state Land and Water Conservation (LAWCON) Account, beginning on July 1, 2007.

Section 16 [Technical]

Section 17 [Critical Habitat License Plates] allocates \$3 million per year to the Conservation Heritage Account from the revenue received from the sale of critical habitat license plates, beginning on July 1, 2007.

Section 18 [Lottery in Lieu Funds] allocates \$1.5 million to the Conservation Heritage Account from lottery in lieu of sales tax money, beginning on July 1, 2007. Of this amount, \$1 million is from money that would otherwise be deposited in the Heritage Enhancement Account and \$500,000 would be otherwise dedicated for local trail grants.

Section 19 [Transition] provides that the staff of the LCMR will provide administrative assistance to the foundation until June 30, 2007. Money saved by elimination of the Citizens Advisory Committee (CAC) shall be used for the administrative expenses of the foundation.

Section 20 [Initial Appointments] provides for staggered appointments of the initial members of the foundation.

Section 21 [Repealer] repeals statutory language related to the LCMR and the CAC and requirements for expenditures of the Environment and Natural Resources Trust Fund.

Section 22 [Effective Date] makes the act effective the day following final enactment.

GK:dv

Senators Chaudhary, Pariseau and Ruud introduced--**S.F. No. 1809:** Referred to the Committee on Environment and Natural Resources.

A bill for an act

relating to natural resources; creating the Minnesota Conservation Heritage Foundation; eliminating the Legislative Commission on Minnesota Resources; providing for disposition of certain revenues; appropriating money; amending Minnesota Statutes 2004, sections 116P.02, by adding a subdivision; 116P.03; 116P.04, subdivision 5; 116P.07; 116P.08, subdivisions 3, 5, 6, 7, by adding a subdivision; 116P.09; 116P.10; 116P.11; 116P.12, subdivision 2; 116P.14, subdivision 2; 116P.15, subdivision 2; 168.1296, subdivision 5; 297A.94; proposing coding for new law in Minnesota Statutes, chapter 116P; repealing Minnesota Statutes 2004, sections 116P.02, subdivision 2 and 5; 116P.05; 116P.06; 116P.08, subdivisions 1, 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2004, section 116P.02, is amended by adding a subdivision to read:

Subd. 4a. [FOUNDATION.] "Foundation" means the Minnesota Conservation Heritage Foundation created under section 116P.061.

Sec. 2. Minnesota Statutes 2004, section 116P.03, is amended to read:

116P.03 [TRUST FUND NOT TO SUPPLANT EXISTING FUNDING.]

~~(a)~~ The trust fund may not be used as a substitute for traditional sources of funding environmental and natural resources activities, but the trust fund shall supplement the traditional sources, including those sources used to support the criteria in section 116P.08, subdivision ~~±~~ 1a. The trust fund must be used primarily to support activities whose benefits become available only over an extended period of time.

~~1 (b)-The-commission-must-determine-the-amount-of-the-state
2 budget-spent-from-traditional-sources-to-fund-environmental-and
3 natural-resources-activities-before-and-after-the-trust-fund-is
4 established-and-include-a-comparison-of-the-amount-in-the-report
5 under-section-116P.097-subdivision-7-~~

6 Sec. 3. Minnesota Statutes 2004, section 116P.04,
7 subdivision 5, is amended to read:

8 Subd. 5. [AUDITS REQUIRED.] The legislative auditor shall
9 audit trust fund expenditures to ensure that the money is spent
10 for the purposes provided in the commission's budget plan the
11 Minnesota Constitution, article XI, section 14, and the
12 foundation's strategic plan developed under section 116P.08. In
13 addition, the legislative auditor shall audit the books and
14 records of the foundation on an annual basis under sections
15 3.971 and 3.972, subject to the resources of the legislative
16 auditor, to ensure that the expenditures and operations of the
17 foundation are consistent with the requirements of this
18 chapter. The legislative auditor may recoup the expenses for
19 audits under this subdivision from amounts available to the
20 foundation under section 116P.061, subdivision 6.

21 Sec. 4. [116P.061] [MINNESOTA CONSERVATION HERITAGE
22 FOUNDATION.]

23 Subdivision 1. [MEMBERSHIP.] (a) The Minnesota
24 Conservation Heritage Foundation is created pursuant to section
25 15.012, paragraph (a), and is governed by a board of 11
26 members. The term of members is six years and until their
27 successors have been appointed. Each board member shall be
28 appointed by the governor with the advice and consent of the
29 senate. Not more than six board members shall belong to the
30 same political party. The governor shall select at least one
31 member from each congressional district.

32 (b) To be eligible for appointment to the foundation board,
33 a prospective board member must: (1) demonstrate expertise and
34 experience in the science, policy, or practice of the
35 protection, conservation, preservation, and enhancement of the
36 state's air, water, land, fish, wildlife, and other natural

1 resources; and (2) not be a paid employee of an organization
2 whose primary mission is the protection, conservation,
3 preservation, and enhancement of natural resources. Prior
4 service on multimember boards with grant-making responsibilities
5 or prior experience in the management of a business enterprise
6 is also recommended.

7 (c) Except as provided in this section, the terms,
8 compensation, and removal of members and filling of vacancies on
9 the foundation board shall be as provided in section 15.0575. A
10 member may be removed from the foundation board upon a
11 supermajority of eight votes in favor of the removal of that
12 member.

13 Subd. 2. [CHAIR; VICE CHAIR.] The governor shall select a
14 board member to serve as chair for a term concurrent with that
15 of the governor. If a vacancy occurs in the position of chair,
16 the governor shall select a new chair to complete the unexpired
17 term. The chair shall be the principal executive officer of the
18 foundation and shall preside at meetings of the board. The
19 chair shall organize the work of the foundation and may make
20 assignments to board members, appoint committees, and give
21 direction to the foundation staff. The members of the board
22 shall select a vice chair.

23 Subd. 3. [QUORUM.] Except when otherwise specified, a
24 majority of the foundation shall constitute a quorum and the act
25 or decision of a majority of members present, if at least a
26 quorum is present, shall be the act or decision of the
27 foundation. If a vacancy exists on the foundation, a majority
28 of the remaining members constitutes a quorum. A supermajority
29 of eight members in favor is required for: (1) hiring or
30 removing an executive director for the foundation, if any; or
31 (2) using funds for debt service on bonds.

32 Subd. 4. [DUTIES.] The foundation board shall adopt a
33 strategic plan as provided in section 116P.08 and shall make
34 expenditures as provided in that section. The board may adopt
35 operating and grant-making procedures by order of the board to
36 fulfill its duties under this chapter. If the board finds that

1 it must adopt rules for its operations, the board may use the
2 process for rulemaking provided under section 14.389.

3 Subd. 5. [APPROPRIATION.] Beginning July 1, 2007, and on
4 July 1 of each year thereafter, the amount of the environment
5 and natural resources trust fund that may be appropriated under
6 the terms of article XI, section 14, of the Minnesota
7 Constitution is appropriated to the foundation for expenditures
8 made according to section 116P.08, subdivision 1a, paragraph
9 (a), and is available until expended.

10 Subd. 6. [APPROPRIATION; CONSERVATION HERITAGE ACCOUNT.] A
11 conservation heritage account is created in the natural
12 resources fund. Money in the account is annually appropriated
13 to the foundation for the purposes of section 116B.08,
14 subdivision 1a, paragraph (b), and is available until expended.

15 Subd. 7. [GIFTS.] The foundation may accept and use grants
16 of money or property from the United States or other grantors
17 for any purpose pertaining to the activities of the foundation.
18 Any money or property so received is appropriated and dedicated
19 for the purposes for which it is granted and shall be expended
20 or used solely for such purposes according to federal laws and
21 regulations pertaining thereto, subject to applicable state laws
22 and rules as to manner of expenditure or use. The foundation
23 may make subgrants of any money received to other agencies,
24 units of local government, private individuals, private
25 organizations, and private nonprofit corporations. Appropriate
26 funds and accounts shall be maintained by the commissioner of
27 finance to comply with this section. Lands and interests in
28 lands received may be sold or exchanged according to chapter 94.

29 Sec. 5. Minnesota Statutes 2004, section 116P.07, is
30 amended to read:

31 116P.07 [INFORMATION GATHERING.]

32 The ~~commission~~ foundation board may convene public forums
33 or employ other methods to gather information for establishing
34 priorities for funding.

35 Sec. 6. Minnesota Statutes 2004, section 116P.08, is
36 amended by adding a subdivision to read:

1 Subd. 1a. [EXPENDITURES.] (a) The amount appropriated to
 2 the Minnesota Conservation Heritage Foundation from the
 3 environment and natural resources trust fund under section
 4 116P.061, subdivision 5, may be spent only for the public
 5 purpose of protection, conservation, preservation, and
 6 enhancement of the state's air, water, land, fish, wildlife, and
 7 other natural resources. Expenditures by the foundation under
 8 this paragraph must be consistent with article XI, section 14,
 9 of the Minnesota Constitution and the strategic plan adopted
 10 under subdivision 3 and must demonstrate a direct benefit to the
 11 state's natural resources. Expenditures for the purposes
 12 described in section 84.95, subdivision 2, shall be a priority
 13 for the foundation under this paragraph. Nothing in this
 14 paragraph precludes the granting of funds for a project with a
 15 recreational purpose if the project is consistent with article
 16 XI, section 14, of the Minnesota Constitution.

17 (b) Money appropriated to the foundation under section
 18 116P.061, subdivision 6, or from a source other than the trust
 19 fund may be used for the administrative costs of the foundation
 20 or for any other purpose consistent with the statutory
 21 provisions governing the source of the funds and the
 22 foundation's mission and strategic plan.

23 Sec. 7. Minnesota Statutes 2004, section 116P.08,
 24 subdivision 3, is amended to read:

25 Subd. 3. [STRATEGIC PLAN REQUIRED.] (a) The ~~commission~~
 26 foundation shall adopt a strategic plan for making expenditures
 27 ~~from-the-trust-fund~~, including identifying the priority areas
 28 for funding for the next ~~six~~ ten years. The strategic plan must
 29 be updated every two years. ~~The-plan-is-advisory-only~~ The
 30 foundation shall make funding allocation decisions and make
 31 expenditures on an annual basis according to the strategic plan.

32 (b) The ~~commission~~ foundation shall submit the plan~~7-as-a~~
 33 recommendation~~7~~, to the ~~house-of-representatives-Ways-and-Means~~
 34 ~~and-senate-Finance-Committees~~ chairs of the house and senate
 35 committees with jurisdiction over environment and natural
 36 resources policy and finance by January ~~±~~ 15 of each

1 odd-numbered year according to section 116P.09, subdivision 7.

2 ~~(b)-The-commission-may-accept-or-modify-the-draft-of-the~~
3 ~~strategic-plan-submitted-to-it-by-the-advisory-committee-before~~
4 ~~voting-on-the-plan's-adoption.~~

5 Sec. 8. Minnesota Statutes 2004, section 116P.08,
6 subdivision 5, is amended to read:

7 Subd. 5. [PUBLIC MEETINGS.] All ~~advisory-committee-and~~
8 ~~commission~~ foundation meetings must be open to the public. The
9 ~~commission-shall-attempt-to-meet-at-least-once-in-each-of-the~~
10 ~~state's-congressional-districts-during-each-biennium.~~

11 Sec. 9. Minnesota Statutes 2004, section 116P.08,
12 subdivision 6, is amended to read:

13 Subd. 6. [PEER REVIEW.] (a) Research proposals must
14 include a stated purpose, timeline, potential outcomes, and an
15 explanation of the need for the research. All research
16 proposals ~~must~~ should be reviewed-by-a-peer-review-panel
17 peer-reviewed before receiving an appropriation. Peer reviews
18 shall be considered by the foundation board in evaluating a
19 research project proposal. The board may establish a peer
20 review panel under subdivision 7 to assist its work.

21 ~~(b) In-conducting-research-proposal-reviews, the-peer~~
22 ~~review-panel~~ A peer review report on a proposed research
23 project, prepared for a research proposal review, shall:

24 (1) comment on the methodology proposed and whether it can
25 be expected to yield appropriate and useful information and
26 data; and

27 (2) comment on the need for the research and about similar
28 existing information available, if any, ~~and~~

29 ~~(3)-report-to-the-commission-and-advisory-committee-on~~
30 ~~clauses-(1)-and-(2).~~

31 ~~(c)-The-peer-review-panel-also-must-review-completed~~
32 ~~research-proposals-that-have-received-an-appropriation-and~~
33 ~~comment-and-report-upon-whether-the-project-reached-the-intended~~
34 ~~goals.~~

35 Sec. 10. Minnesota Statutes 2004, section 116P.08,
36 subdivision 7, is amended to read:

1 Subd. 7. [PEER REVIEW PANEL; MEMBERSHIP; DUTIES.] ~~(a)~~ If
2 established by the foundation:

3 (1) the peer review panel must consist of at least five
4 members who are knowledgeable in general research methods in the
5 areas of environment and natural resources. Not more than two
6 members of the panel may be employees of state agencies in
7 Minnesota;

8 ~~(b)~~ (2) the ~~commission~~ foundation shall select a chair
9 every two years who shall be responsible for convening meetings
10 of the panel as often as is necessary to fulfill its duties as
11 prescribed in this section. Compensation of panel members is
12 governed by section 15.059, subdivision 3; and

13 (3) the peer review panel must review completed research
14 proposals that have received an appropriation and comment and
15 report upon whether the project reached the intended goals.

16 Sec. 11. Minnesota Statutes 2004, section 116P.09, is
17 amended to read:

18 116P.09 [ADMINISTRATION.]

19 Subdivision 1. [ADMINISTRATIVE AUTHORITY.] The
20 ~~commission~~ foundation may appoint legal and other personnel and
21 consultants necessary to carry out functions and duties of the
22 ~~commission~~ foundation. Permanent employees shall be in the
23 unclassified service. In addition, the ~~commission~~ foundation
24 may request staff assistance and data from any other agency of
25 state government as needed for the execution of the
26 responsibilities of the ~~commission-and-advisory~~
27 ~~committee~~ foundation and an agency must promptly furnish it.

28 Subd. 2. [LIAISON OFFICERS.] The ~~commission~~ foundation
29 shall request each department or agency head of all state
30 agencies with a direct interest and responsibility in any phase
31 of environment and natural resources to appoint, and the latter
32 shall appoint for the agency, a liaison officer who shall work
33 closely with the ~~commission~~ foundation and its staff.

34 Subd. 3. [APPRAISAL AND EVALUATION.] The ~~commission~~
35 foundation shall obtain and appraise information available
36 through private organizations and groups, utilizing to the

1 fullest extent possible studies, data, and reports previously
 2 prepared or currently in progress by public agencies, private
 3 organizations, groups, and others, concerning future trends in
 4 the protection, conservation, preservation, and enhancement of
 5 the state's air, water, land, forests, fish, wildlife, native
 6 vegetation, and other natural resources. Any data compiled by
 7 the ~~commission~~ foundation shall be made available to any
 8 standing or interim committee of the legislature upon the
 9 request of the chair of the respective committee.

10 Subd. 4. [PERSONNEL.] Persons who are employed by a state
 11 agency to work on a project and are paid by an appropriation
 12 from the trust fund are in the unclassified civil service, and
 13 their continued employment is contingent upon the availability
 14 of money from the appropriation. When the appropriation has
 15 been spent, their positions must be canceled and the approved
 16 complement of the agency reduced accordingly. Part-time
 17 employment of persons for a project is authorized. ~~The use of~~
 18 ~~classified employees is authorized when approved as part of the~~
 19 ~~work program required by section 116P.05, subdivision 2,~~
 20 ~~paragraph (c).~~

21 Subd. 5. [ADMINISTRATIVE EXPENSE.] ~~The prorated expenses~~
 22 ~~related to commission administration of the trust fund may not~~
 23 ~~exceed an amount equal to four percent of the amount available~~
 24 ~~for appropriation of the trust fund for the biennium~~ The
 25 foundation's administrative expenses may not exceed \$500,000
 26 annually.

27 Subd. 6. [CONFLICT OF INTEREST.] (a) A commission
 28 foundation board member, advisory committee member, a peer
 29 review panelist, or an employee of the commission foundation may
 30 not participate in or vote on a decision of the commission,
 31 advisory committee, foundation or a peer review panel relating
 32 to an organization in which the member, panelist, or employee
 33 has either a direct or indirect personal financial interest.
 34 While serving on the ~~legislative commission, advisory committee,~~
 35 foundation board or peer review panel, or being while an
 36 employee of the commission foundation, a person shall avoid any

1 potential conflict of interest. A conflict of interest exists
 2 if the person:

3 (1) would receive a direct or indirect personal financial
 4 benefit from an entity proposing a project for funding by the
 5 foundation or from a proposal under review for funding by the
 6 foundation;

7 (2) serves as an employee, consultant, or governing board
 8 member of an entity proposing a project for funding by the
 9 foundation; or

10 (3) has a family relationship with a project proposer or a
 11 staff or board member of an entity proposing a project for
 12 funding by the foundation.

13 (b) The foundation must develop procedures to identify a
 14 conflict of interest during the initial proposal review
 15 process. If a conflict is found to exist, the person must
 16 notify the foundation in writing and may not advocate for or
 17 against the proposal or vote on the proposal.

18 Subd. 7. [REPORT REQUIRED.] The ~~commission~~ foundation
 19 shall, by January 15 of each odd-numbered year, submit a report
 20 to the governor, ~~the chairs of the house appropriations and~~
 21 ~~senate finance committees,~~ and the chairs of the house and
 22 senate committees ~~on~~ with jurisdiction over environment and
 23 natural resources policy and finance. Copies of the report must
 24 be available to the public. The report must include a summary
 25 of the foundation's conservation achievements during the
 26 reporting period and:

27 (1) a copy of the current strategic plan;

28 (2) a description of each project receiving money from the
 29 trust fund during the preceding biennium and how the project
 30 relates to the constitutional dedication of the trust fund and
 31 to the foundation's current strategic plan;

32 (3) a summary of any research project completed in the
 33 preceding biennium;

34 (4) recommendations to implement successful projects and
 35 programs into a state agency's standard operations;

36 (5) to the extent known by the ~~commission~~ foundation,

1 descriptions of the projects anticipated to be supported by the
2 trust fund during the next biennium;

3 (6) the source and amount of all revenues collected and
4 distributed by the ~~commission~~ foundation, including all
5 administrative and other expenses;

6 (7) a description of the assets and liabilities of the
7 trust fund;

8 (8) any findings or recommendations that are deemed proper
9 to assist the legislature in formulating legislation;

10 (9) a list of all gifts and donations with a value over
11 \$1,000;

12 (10) a comparison of the amounts spent by the state for
13 environment and natural resources activities through the most
14 recent fiscal year; and

15 (11) a copy of the most recent compliance audit.

16 Sec. 12. Minnesota Statutes 2004, section 116P.10, is
17 amended to read:

18 116P.10 [ROYALTIES, COPYRIGHTS, PATENTS.]

19 ~~This section applies to projects supported by the trust~~
20 ~~fund and the oil overcharge money referred to in section 4.0717~~
21 ~~subdivision 2, each of which is referred to in this section as a~~
22 ~~"fund."~~ The trust fund owns and shall take title to the
23 percentage of a royalty, copyright, or patent resulting from a
24 project supported by the trust fund equal to the percentage of
25 the project's total funding provided by the trust fund. Cash
26 receipts resulting from a royalty, copyright, or patent, or the
27 sale of the trust fund's rights to a royalty, copyright, or
28 patent, must be credited immediately to the principal of
29 the trust fund. Receipts from Minnesota future resources fund
30 projects must be credited to the trust fund. Before the
31 foundation decides to fund a project ~~is included in the budget~~
32 ~~plan~~, the ~~commission~~ foundation may vote to relinquish the
33 ownership or rights to a royalty, copyright, or patent resulting
34 from a project supported by the trust fund to the project's
35 proposer when the amount of the original grant or loan, plus
36 interest, has been repaid to the trust fund.

1 Sec. 13. Minnesota Statutes 2004, section 116P.11, is
2 amended to read:

3 116P.11 [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

4 (a) The amount biennially available from the trust fund for
5 the ~~budget-plan-developed-by-the-commission~~ foundation under
6 section 116P.061, subdivision 5, is as defined in the Minnesota
7 Constitution, article XI, section 14.

8 (b) Any appropriated funds not encumbered in the biennium
9 in which they are appropriated cancel and must be credited to
10 the principal of the trust fund.

11 Sec. 14. Minnesota Statutes 2004, section 116P.12,
12 subdivision 2, is amended to read:

13 Subd. 2. [APPLICATION AND ADMINISTRATION.] (a) The
14 ~~commission~~ foundation must adopt a procedure for the issuance of
15 the water system improvement loans by the Public Facilities
16 Authority.

17 (b) The ~~commission~~ foundation also must ensure that the
18 loans are administered according to its fiduciary standards and
19 requirements.

20 Sec. 15. Minnesota Statutes 2004, section 116P.14,
21 subdivision 2, is amended to read:

22 Subd. 2. [STATE LAND AND WATER CONSERVATION ACCOUNT;
23 CREATION.] A state land and water conservation account is
24 created in the natural resources fund. ~~All-of-the~~ Money made
25 available to the state from funds granted under subdivision 1
26 shall be allocated as follows: (1) beginning July 1, 2007,
27 \$1,500,000 annually shall be deposited in the conservation
28 heritage account established under section 116P.061; and (2) the
29 balance shall be deposited in the state land and water
30 conservation account.

31 Sec. 16. Minnesota Statutes 2004, section 116P.15,
32 subdivision 2, is amended to read:

33 Subd. 2. [RESTRICTIONS; MODIFICATION PROCEDURE.] (a) An
34 interest in real property acquired with an appropriation from
35 the trust fund or the Minnesota future resources fund must be
36 used in perpetuity or for the specific term of an easement

1 interest for the purpose for which the appropriation was made.

2 (b) A recipient of funding who acquires an interest in real
3 property subject to this section may not alter the intended use
4 of the interest in real property or convey any interest in the
5 real property acquired with the appropriation without the prior
6 review and approval of the commission foundation.

7 The commission foundation shall establish procedures to review
8 requests from recipients to alter the use of or convey an
9 interest in real property. These procedures shall allow for the
10 replacement of the interest in real property with another
11 interest in real property meeting the following criteria:

12 (1) the interest is at least equal in fair market value, as
13 certified by the commissioner of natural resources, to the
14 interest being replaced; and

15 (2) the interest is in a reasonably equivalent location,
16 and has a reasonably equivalent usefulness compared to the
17 interest being replaced.

18 (c) A recipient of funding who acquires an interest in real
19 property under paragraph (a) must separately record a notice of
20 funding restrictions in the appropriate local government office
21 where the conveyance of the interest in real property is filed.
22 The notice of funding agreement must contain:

23 (1) a legal description of the interest in real property
24 covered by the funding agreement;

25 (2) a reference to the underlying funding agreement;

26 (3) a reference to this section; and

27 (4) the following statement:

28 "This interest in real property shall be administered in
29 accordance with the terms, conditions, and purposes of the grant
30 agreement or work program controlling the acquisition of the
31 property. The interest in real property, or any portion of the
32 interest in real property, shall not be sold, transferred,
33 pledged, or otherwise disposed of or further encumbered without
34 obtaining the prior written approval of the Legislative
35 Commission-on-Minnesota-Resources Minnesota Conservation
36 Heritage Foundation or its successor. If the holder of the

1 interest in real property fails to comply with the terms and
2 conditions of the grant agreement or work program, ownership of
3 the interest in real property shall transfer to this state."

4 Sec. 17. Minnesota Statutes 2004, section 168.1296,
5 subdivision 5, is amended to read:

6 Subd. 5. [CONTRIBUTION AND FEES CREDITED.] Contributions
7 under subdivision 1, paragraph (a), clause (5), must be paid to
8 the registrar and credited: (1) beginning July 1, 2007,
9 \$3,000,000 annually to the conservation heritage account
10 established under section 116P.061, subdivision 6; and (2) the
11 balance to the Minnesota critical habitat private sector
12 matching account established in section 84.943. The fees
13 collected under this section must be deposited in the highway
14 user tax distribution fund.

15 Sec. 18. Minnesota Statutes 2004, section 297A.94, is
16 amended to read:

17 297A.94 [DEPOSIT OF REVENUES.]

18 (a) Except as provided in this section, the commissioner
19 shall deposit the revenues, including interest and penalties,
20 derived from the taxes imposed by this chapter in the state
21 treasury and credit them to the general fund.

22 (b) The commissioner shall deposit taxes in the Minnesota
23 agricultural and economic account in the special revenue fund if:

24 (1) the taxes are derived from sales and use of property
25 and services purchased for the construction and operation of an
26 agricultural resource project; and

27 (2) the purchase was made on or after the date on which a
28 conditional commitment was made for a loan guaranty for the
29 project under section 41A.04, subdivision 3.

30 The commissioner of finance shall certify to the commissioner
31 the date on which the project received the conditional
32 commitment. The amount deposited in the loan guaranty account
33 must be reduced by any refunds and by the costs incurred by the
34 Department of Revenue to administer and enforce the assessment
35 and collection of the taxes.

36 (c) The commissioner shall deposit the revenues, including

1 interest and penalties, derived from the taxes imposed on sales
2 and purchases included in section 297A.61, subdivision 3,
3 paragraph (g), clauses (1) and (4), in the state treasury, and
4 credit them as follows:

5 (1) first to the general obligation special tax bond debt
6 service account in each fiscal year the amount required by
7 section 16A.661, subdivision 3, paragraph (b); and

8 (2) after the requirements of clause (1) have been met, the
9 balance to the general fund.

10 (d) The commissioner shall deposit the revenues, including
11 interest and penalties, collected under section 297A.64,
12 subdivision 5, in the state treasury and credit them to the
13 general fund. By July 15 of each year the commissioner shall
14 transfer to the highway user tax distribution fund an amount
15 equal to the excess fees collected under section 297A.64,
16 subdivision 5, for the previous calendar year.

17 (e) For fiscal year 2001, 97 percent; for fiscal years 2002
18 and 2003, 87 percent; and for fiscal year 2004 and thereafter,
19 72.43 percent of the revenues, including interest and penalties,
20 transmitted to the commissioner under section 297A.65, must be
21 deposited by the commissioner in the state treasury as follows:

22 (1) 50 percent of the receipts shall be divided as follows:
23 (i) beginning July 1, 2007, \$1,000,000 annually must be
24 deposited in the conservation heritage account under section
25 116P.061, subdivision 6; and (ii) the balance must be deposited
26 in the heritage enhancement account in the game and fish fund,
27 and may be spent only on activities that improve, enhance, or
28 protect fish and wildlife resources, including conservation,
29 restoration, and enhancement of land, water, and other natural
30 resources of the state;

31 (2) 22.5 percent of the receipts must be deposited in the
32 natural resources fund, and may be spent only for state parks
33 and trails;

34 (3) 22.5 percent of the receipts must be deposited in the
35 natural resources fund, and may be spent only on metropolitan
36 park and trail grants;

1 (4) three percent of the receipts shall be divided as
2 follows: (i) beginning July 1, 2007, \$500,000 annually must be
3 deposited in the conservation heritage account under section
4 116P.061, subdivision 6; and (ii) the balance must be deposited
5 in the natural resources fund, and may be spent only on local
6 trail grants; and

7 (5) two percent of the receipts must be deposited in the
8 natural resources fund, and may be spent only for the Minnesota
9 Zoological Garden, the Como Park Zoo and Conservatory, and the
10 Duluth Zoo.

11 (f) The revenue dedicated under paragraph (e) may not be
12 used as a substitute for traditional sources of funding for the
13 purposes specified, but the dedicated revenue shall supplement
14 traditional sources of funding for those purposes. Land
15 acquired with money deposited in the game and fish fund under
16 paragraph (e) must be open to public hunting and fishing during
17 the open season, except that in aquatic management areas or on
18 lands where angling easements have been acquired, fishing may be
19 prohibited during certain times of the year and hunting may be
20 prohibited. At least 87 percent of the money deposited in the
21 game and fish fund for improvement, enhancement, or protection
22 of fish and wildlife resources under paragraph (e) must be
23 allocated for field operations.

24 Sec. 19. [TRANSITION.]

25 (a) The staff of the Legislative Commission on Minnesota
26 Resources shall provide administrative and technical assistance
27 to the Minnesota Conservation Heritage Foundation until June 30,
28 2007.

29 (b) Administrative expenses saved through the elimination
30 of the Citizens Advisory Committee shall be used for the
31 administrative expenses of the Minnesota Conservation Heritage
32 Foundation.

33 Sec. 20. [INITIAL APPOINTMENTS.]

34 To ensure that the members of the Minnesota Conservation
35 Heritage Foundation have staggered terms as required by
36 Minnesota Statutes, section 116P.061, subdivision 1, the

1 governor shall make the initial appointments to the Minnesota
2 Conservation Heritage Foundation according to the following
3 schedule of terms:

- 4 (1) the chair to serve a full six-year term;
5 (2) three members to serve five-year terms;
6 (3) three members to serve four-year terms;
7 (4) two members to serve three-year terms; and
8 (5) two members to serve two-year terms.

9 Sec. 21. [REPEALER.]

10 (a) Minnesota Statutes 2004, sections 116P.02, subdivisions
11 2 and 5; 116P.06; and 116P.08, subdivisions 1 and 4, are
12 repealed.

13 (b) Minnesota Statutes 2004, section 116P.05, is repealed
14 effective June 30, 2007.

15 Sec. 22. [EFFECTIVE DATE.]

16 Sections 1 to 21 are effective the day following final
17 enactment.

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116P.02 DEFINITIONS.

Subd. 2. **Advisory committee.** "Advisory committee" means the advisory committee created in section 116P.06.

Subd. 5. **Natural resources.** "Natural resources" includes the outdoor recreation system under section 86A.04 and regional recreation open space systems as defined under section 473.351, subdivision 1.

116P.05 LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES.

Subdivision 1. **Membership.** (a) A Legislative Commission on Minnesota Resources of 20 members is created, consisting of the chairs of the house and senate committees on environment and natural resources or designees appointed for the terms of the chairs, the chairs of the house and senate committees on environment and natural resources finance or designees appointed for the terms of the chairs, the chairs of the house Ways and Means and Senate Finance Committees or designees appointed for the terms of the chairs, seven members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and seven members of the house appointed by the speaker.

At least three members from the senate and three members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.

(b) Members shall appoint a chair who shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(c) Members shall serve on the commission until their successors are appointed.

(d) Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled in the same manner under paragraph (a).

Subd. 2. **Duties.** (a) The commission shall recommend a budget plan for expenditures from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08.

(b) The commission shall recommend expenditures to the legislature from the state land and water conservation account in the natural resources fund.

(c) It is a condition of acceptance of the appropriations made from the Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the Legislative Commission on Minnesota Resources. None of the money provided may be spent unless the commission has approved the pertinent work program.

(d) The peer review panel created under section 116P.08 must also review, comment, and report to the commission on research proposals applying for an appropriation from the oil overcharge money under section 4.071, subdivision 2.

(e) The commission may adopt operating procedures to fulfill its duties under chapter 116P.

116P.06 ADVISORY COMMITTEE.

Subdivision 1. **Membership.** (a) An advisory committee of 11 citizen members shall be appointed by the governor to advise the Legislative Commission on Minnesota Resources on project proposals to receive funding from the trust fund and the

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development of budget and strategic plans. The governor shall appoint at least one member from each congressional district. The members shall elect the chair.

(b) The governor's appointees must be confirmed with the advice and consent of the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575. Notwithstanding section 15.059, subdivision 5, or other law to the contrary, the advisory committee does not expire.

Subd. 2. Duties. (a) The advisory committee shall:

- (1) prepare and submit to the commission a draft strategic plan to guide expenditures from the trust fund;
 - (2) review the reinvest in Minnesota program during development of the draft strategic plan;
 - (3) gather public input during development of the draft strategic plan;
 - (4) advise the commission on project proposals to receive funding from the trust fund; and
 - (5) advise the commission on development of the budget plan.
- (b) The advisory committee may review all project proposals for funding and may make recommendations to the commission on whether the projects:
- (1) meet the standards and funding categories set forth in sections 116P.01 to 116P.12;
 - (2) duplicate existing federal, state, or local projects being conducted within the state; and
 - (3) are consistent with the most recent strategic plan adopted by the commission.

116P.08 TRUST FUND EXPENDITURES; EXCEPTIONS; PLANS.

Subdivision 1. Expenditures. Money in the trust fund may be spent only for:

- (1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;
- (2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;
- (3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;
- (4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;
- (5) capital projects for the preservation and protection of unique natural resources;
- (6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;
- (7) administrative and investment expenses incurred by the State Board of Investment in investing deposits to the trust fund; and
- (8) administrative expenses subject to the limits in section 116P.09.

Subd. 4. Budget plan. (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) Projects submitted to the commission for funding may be referred to the advisory committee for recommendation.

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(c) The commission must adopt a budget plan to make expenditures from the trust fund for the purposes provided in subdivision 1. The budget plan must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(d) Money in the trust fund may not be spent except under an appropriation by law.

1 moves to amend H. F. No. 1467, as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. Minnesota Statutes 2004, section 116P.02, is
4 amended by adding a subdivision to read:

5 Subd. 4a. [COUNCIL.] "Council" means the Minnesota
6 Conservation Heritage Council.

7 Sec. 2. Minnesota Statutes 2004, section 116P.03, is
8 amended to read:

9 116P.03 [TRUST FUND NOT TO SUPPLANT EXISTING FUNDING.]

10 (a) The trust fund may not be used as a substitute for
11 traditional sources of funding environmental and natural
12 resources activities, but the trust fund shall supplement the
13 traditional sources, including those sources used to support the
14 criteria in section 116P.08, subdivision 1a. The trust fund
15 must be used primarily to support activities whose benefits
16 become available only over an extended period of time.

17 ~~(b) The commission must determine the amount of the state~~
18 ~~budget spent from traditional sources to fund environmental and~~
19 ~~natural resources activities before and after the trust fund is~~
20 ~~established and include a comparison of the amount in the report~~
21 ~~under section 116P.09, subdivision 7.~~

22 Sec. 3. Minnesota Statutes 2004, section 116P.04,
23 subdivision 5, is amended to read:

24 Subd. 5. [AUDITS REQUIRED.] The legislative auditor shall

1 audit trust fund expenditures to ensure that the money is spent
2 for the purposes provided in ~~the-commission's-budget-plan~~ the
3 Minnesota Constitution, article XI, section 14, and the
4 council's strategic plan developed under section 116P.08. In
5 addition, the legislative auditor shall audit the books and
6 records of the council on an annual basis under sections 3.971
7 and 3.972, subject to the resources of the legislative auditor,
8 to ensure that the expenditures and operations of the council
9 are consistent with the requirements of this chapter. The
10 legislative auditor may recoup the expenses for audits under
11 this subdivision from amounts available to the council under
12 section 116P.061, subdivision 6.

13 Sec. 4. Minnesota Statutes 2004, section 116P.05,
14 subdivision 1, is amended to read:

15 Subdivision 1. [MEMBERSHIP.] (a) A ~~Legislative-Commission~~
16 ~~on-Minnesota-Resources~~ Minnesota Conservation Heritage Council
17 of 20 members is created, ~~consisting of.~~ Legislative members
18 consist of the chairs and ranking minority members of the house
19 and senate committees on environment and natural
20 resources policy or designees appointed for the terms of the
21 chairs and ranking minority members, the chairs and ranking
22 minority members of the house and senate committees on
23 environment and natural resources finance or designees appointed
24 for the terms of the chairs and ranking minority members, the
25 chairs and ranking minority members of the house ~~Ways-and-Means~~
26 and Senate Finance Governmental Operations Committees or
27 designees appointed for the terms of the chairs, ~~seven-members~~
28 ~~of-the-senate-appointed-by-the-Subcommittee-on-Committees-of-the~~
29 ~~Committee-on-Rules-and-Administration,~~ ~~and-seven-members-of-the~~
30 ~~house-appointed-by-the-speaker~~ and ranking minority members.

31 Eight citizen members shall be appointed by the governor
32 and confirmed with the advice and consent of the senate.

33 ~~At-least-three-members-from-the-senate-and-three-members~~
34 ~~from-the-house-must-be-from-the-minority-caucus.~~ Members are
35 entitled to reimbursement for per diem expenses plus travel
36 expenses incurred in the services of the commission.

1 (b) Members shall appoint a chair from among the
2 legislative members who shall preside and convene meetings as
3 often as necessary to conduct duties prescribed by this chapter.

4 (c) Legislative members shall serve on the commission until
5 their successors are appointed. Citizen members shall serve for
6 staggered terms of six years until their successors have been
7 appointed. Not more than four citizen members shall belong to
8 the same political party. The governor shall select one citizen
9 member from each congressional district. To be eligible for
10 appointment as a citizen member of the council, a prospective
11 citizen member must: (1) demonstrate expertise and experience
12 in the science, policy, or practice of the protection,
13 conservation, preservation, and enhancement of natural
14 resources; and (2) not be a paid employee of an organization
15 whose primary mission is the protection, conservation,
16 preservation, and enhancement of natural resources. The terms,
17 compensation, removal of members, and filling of vacancies for
18 the council's citizen members shall be as provided in section
19 15.0575. A citizen member may be removed from the council upon
20 a super majority of 12 votes in favor of the removal of that
21 member.

22 ~~(d)~~ (e) Vacancies occurring on the commission shall not
23 affect the authority of the remaining members of the commission
24 to carry out their duties, and vacancies shall be filled in the
25 same manner under paragraph (a).

26 (f) The council may choose legislators and citizens with
27 interest and expertise to assist them in the development of
28 expenditure decisions from the trust fund.

29 Sec. 5. Minnesota Statutes 2004, section 116P.07, is
30 amended to read:

31 116P.07 [INFORMATION GATHERING.]

32 Subdivision 1. [PUBLIC FORUMS.] The ~~commission~~ council may
33 convene public forums or employ other methods to gather
34 information for establishing priorities for funding.

35 Subd. 2. [TECHNICAL ADVISORY COMMITTEE.] The council shall
36 make use of available expertise from educational, research, and

1 technical organizations, and state and federal environmental
2 agencies, including the University of Minnesota and other higher
3 education institutions, to provide appropriate independent
4 expert advice on identifying natural resource priorities during
5 development of the strategic plan provided for in section
6 116P.08. The technical advisory committee shall also review
7 funding proposals and advise the council on funding
8 recommendations. The council shall appoint the technical
9 advisory committee and designate a chair. Compensation of
10 advisory committee members is governed by section 15.059,
11 subdivision 3.

12 Subd. 3. [STATE AGENCY LONG-TERM PRIORITIES.] State
13 agencies with environmental programs and responsibilities shall
14 submit long-term priorities based on agency plans to the
15 council. The council may integrate agency long-term priorities
16 into the development of its strategic plan as provided for in
17 section 116P.08.

18 Subd. 4. [PUBLIC PRIORITIES.] The council shall ask
19 conservation and environmental organizations to submit their
20 long-term priorities and plans to the council, which may be
21 integrated into the council's strategic plan as provided for in
22 section 116P.08.

23 Sec. 6. Minnesota Statutes 2004, section 116P.08, is
24 amended by adding a subdivision to read:

25 Subd. 1a. [EXPENDITURES.] (a) The amount appropriated from
26 the environment and natural resources trust fund may be spent
27 only for the public purpose of protection, conservation,
28 preservation, and enhancement of the state's air, water, land,
29 fish, wildlife, and other natural resources. Expenditures by
30 the council under this paragraph must be consistent with article
31 XI, section 14, of the Minnesota Constitution and the strategic
32 plan adopted under subdivision 3 and must demonstrate a direct
33 benefit to the state's natural resources. [Nothing in this
34 paragraph precludes the granting of funds for a project with a
35 recreational purpose if the project's primary purpose is
36 consistent with article XI, section 14, of the Minnesota

*RT want
to delete*

1 Constitution.]

2 (b) A conservation trust fund account is created in the
3 natural resources fund. The amount biennially available from
4 the trust fund for appropriation and expenditure under the
5 Minnesota Constitution, article XI, section 14, shall be
6 appropriated by a law passed by the legislature and signed by
7 the governor and deposited into the conservation trust fund
8 account. Upon receiving recommendations by the council for
9 funding allocations of trust fund proceeds, the governor shall
10 either approve or disapprove the allocation recommendations of
11 the council. Amounts necessary to provide for funding
12 allocations recommended by the council and approved by the
13 governor are appropriated from the conservation trust fund to
14 the commissioner of natural resources for distribution in
15 accordance with the terms of the approved allocation
16 recommendations.

17 Sec. 7. Minnesota Statutes 2004, section 116P.08,
18 subdivision 3, is amended to read:

19 Subd. 3. [STRATEGIC PLAN REQUIRED.] (a) The ~~commission~~
20 council shall adopt a strategic plan for making expenditures
21 from the trust fund, including identifying the priority areas
22 for funding for the next ~~six~~ ten years. The strategic plan must
23 be updated every two years. ~~The plan is advisory only~~ The
24 council shall make funding allocation recommendations on an
25 annual basis to the governor according to the strategic plan.

26 (b) The ~~commission~~ council shall submit the plan, as a
27 recommendation, to the house of representatives Ways and Means
28 and senate Finance Committees chairs of the house and senate
29 committees with jurisdiction over environment and natural
30 resources policy and finance by January 15 of each
31 odd-numbered year according to section 116P.09, subdivision 7.

32 ~~(b) The commission may accept or modify the draft of the~~
33 ~~strategic plan submitted to it by the advisory committee before~~
34 ~~voting on the plan's adoption.~~

35 Sec. 8. Minnesota Statutes 2004, section 116P.08,
36 subdivision 5, is amended to read:

1 Subd. 5. [PUBLIC MEETINGS.] All ~~advisory-committee-and~~
2 ~~commission council~~ meetings must be open to the public. The
3 ~~commission-shall-attempt-to-meet-at-least-once-in-each-of-the~~
4 ~~state's-congressional-districts-during-each-biennium-~~

5 Sec. 9. Minnesota Statutes 2004, section 116P.08,
6 subdivision 6, is amended to read:

7 Subd. 6. [PEER REVIEW.] (a) Research proposals must
8 include a stated purpose, timeline, potential outcomes, and an
9 explanation of the need for the research. All research
10 proposals must be ~~reviewed-by-a-peer-review-panel~~ peer-reviewed
11 before receiving an appropriation. Peer reviews shall be
12 considered by the council in evaluating a research project
13 proposal. The council shall establish a peer review panel under
14 subdivision 7 to assist its work.

15 (b) ~~In-conducting-research-proposal-reviews,-the-peer~~
16 ~~review-panel~~ A peer review report on a proposed research
17 project, prepared for a research proposal review, shall:

18 (1) comment on the methodology proposed and whether it can
19 be expected to yield appropriate and useful information and
20 data; and

21 (2) comment on the need for the research and about similar
22 existing information available; if any; ~~and~~

23 ~~(3)-report-to-the-commission-and-advisory-committee-on~~
24 ~~clauses-(1)-and-(2)-~~

25 ~~(e)-The-peer-review-panel-also-must-review-completed~~
26 ~~research-proposals-that-have-received-an-appropriation-and~~
27 ~~comment-and-report-upon-whether-the-project-reached-the-intended~~
28 ~~goals.~~

29 Sec. 10. Minnesota Statutes 2004, section 116P.08,
30 subdivision 7, is amended to read:

31 Subd. 7. [PEER REVIEW PANEL MEMBERSHIP.] (a) The peer
32 review panel must consist of at least five members who are
33 knowledgeable in general research methods in the areas of
34 environment and natural resources. Not more than two members of
35 the panel may be employees of state agencies in Minnesota.

36 (b) The commission council shall select a chair every two

1 years who shall be responsible for convening meetings of the
2 panel as often as is necessary to fulfill its duties as
3 prescribed in this section. Compensation of panel members is
4 governed by section 15.059, subdivision 3.

5 (c) The peer review panel must review completed research
6 proposals that have received an appropriation and comment and
7 report upon whether the project reached the intended goals.

8 Sec. 11. Minnesota Statutes 2004, section 116P.09, is
9 amended to read:

10 116P.09 [ADMINISTRATION.]

11 Subdivision 1. [ADMINISTRATIVE AUTHORITY.] The
12 ~~commission~~ council may appoint legal and other personnel and
13 consultants necessary to carry out functions and duties of
14 the ~~commission~~ council. Permanent employees shall be in the
15 unclassified service. In addition, the ~~commission~~ council may
16 request staff assistance and data from any other agency of state
17 government as needed for the execution of the responsibilities
18 of the ~~commission-and-advisory-committee~~ council and an agency
19 must promptly furnish it.

20 Subd. 2. [LIAISON OFFICERS.] The ~~commission~~ council shall
21 request each department or agency head of all state agencies
22 with a direct interest and responsibility in any phase of
23 environment and natural resources to appoint, and the latter
24 shall appoint for the agency, a liaison officer who shall work
25 closely with the ~~commission~~ council and its staff.

26 Subd. 3. [APPRAISAL AND EVALUATION.] The ~~commission~~
27 council shall obtain and appraise information available through
28 private organizations and groups, utilizing to the fullest
29 extent possible studies, data, and reports previously prepared
30 or currently in progress by public agencies, private
31 organizations, groups, and others, concerning future trends in
32 the protection, conservation, preservation, and enhancement of
33 the state's air, water, land, forests, fish, wildlife, native
34 vegetation, and other natural resources. Any data compiled by
35 the ~~commission~~ council shall be made available to any standing
36 or interim committee of the legislature upon the request of the

1 chair of the respective committee.

2 Subd. 4. [PERSONNEL.] Persons who are employed by a state
3 agency to work on a project and are paid by an appropriation
4 from the trust fund are in the unclassified civil service, and
5 their continued employment is contingent upon the availability
6 of money from the appropriation. When the appropriation has
7 been spent, their positions must be canceled and the approved
8 complement of the agency reduced accordingly. Part-time
9 employment of persons for a project is authorized. The use of
10 classified employees is authorized when approved as part of the
11 work program required by section 116P.05, subdivision 2,
12 paragraph (c).

13 Subd. 5. [ADMINISTRATIVE EXPENSE.] The prorated expenses
14 related to ~~commission~~ council administration of the trust fund
15 may not exceed an amount equal to four percent of the amount
16 available for appropriation of the trust fund for the biennium.

17 Subd. 6. [CONFLICT OF INTEREST.] (a) ~~A commission council~~
18 ~~member, advisory-committee-member,~~ a peer review panelist, or an
19 employee of the ~~commission council~~ may not participate in or
20 vote on a decision of the ~~commission,~~ advisory
21 ~~committee,~~ council or a peer review panel relating to an
22 organization in which the member, panelist, or employee has
23 either a direct or indirect personal financial interest. While
24 serving on the ~~legislative-commission,-advisory-committee,~~
25 council or peer review panel, or being while an employee of
26 the ~~commission council~~, a person shall avoid any potential
27 conflict of interest. A conflict of interest exists if the
28 person:

29 (1) would receive a direct or indirect personal financial
30 benefit from an entity proposing a project for funding by the
31 council or from a proposal under review for funding by the
32 council;

33 (2) serves as an employee, consultant, or governing board
34 member of an entity proposing a project for funding by the
35 council; or

36 (3) has a family relationship with a project proposer or a

1 staff or board member of an entity proposing a project for
2 funding by the council.

3 (b) The council must develop procedures to identify a
4 conflict of interest during the initial proposal review
5 process. If a conflict is found to exist, the person must
6 notify the council in writing and may not advocate for or
7 against the proposal or vote on the proposal.

8 Subd. 7. [REPORT REQUIRED.] The ~~commission~~ council shall,
9 by January 15 of each odd-numbered year, submit a report to the
10 governor, the chairs of the house appropriations and senate
11 finance committees, and the chairs of the house and senate
12 committees ~~on~~ with jurisdiction over environment and natural
13 resources policy and finance. Copies of the report must be
14 available to the public. The report must include a summary of
15 the council's conservation achievements during the reporting
16 period and:

17 (1) a copy of the current strategic plan;

18 (2) a description of each project receiving money from the
19 trust fund during the preceding biennium and how the project
20 relates to the constitutional dedication of the trust fund and
21 to the council's current strategic plan;

22 (3) a summary of any research project completed in the
23 preceding biennium;

24 (4) recommendations to implement successful projects and
25 programs into a state agency's standard operations;

26 (5) to the extent known by the ~~commission~~ council,
27 descriptions of the projects anticipated to be supported by the
28 trust fund during the next biennium;

29 (6) the source and amount of all revenues collected and
30 distributed by the ~~commission~~ council, including all
31 administrative and other expenses;

32 (7) a description of the assets and liabilities of the
33 trust fund;

34 (8) any findings or recommendations that are deemed proper
35 to assist the legislature in formulating legislation;

36 (9) a list of all gifts and donations with a value over

1 \$1,000;

2 (10) a comparison of the amounts spent by the state for
3 environment and natural resources activities through the most
4 recent fiscal year; and

5 (11) a copy of the most recent compliance audit.

6 Sec. 12. Minnesota Statutes 2004, section 116P.10, is
7 amended to read:

8 116P.10 [ROYALTIES, COPYRIGHTS, PATENTS.]

9 This section applies to projects supported by the trust
10 fund and the oil overcharge money referred to in section 4.071,
11 subdivision 2, each of which is referred to in this section as a
12 "fund." The trust fund owns and shall take title to the
13 percentage of a royalty, copyright, or patent resulting from a
14 project supported by the trust fund equal to the percentage of
15 the project's total funding provided by the trust fund. Cash
16 receipts resulting from a royalty, copyright, or patent, or the
17 sale of the trust fund's rights to a royalty, copyright, or
18 patent, must be credited immediately to the principal of
19 the trust fund. Receipts from Minnesota future resources fund
20 projects must be credited to the trust fund. Before the council
21 decides to fund a project ~~is included in the budget plan~~,
22 ~~the commission~~ council may vote to relinquish the ownership or
23 rights to a royalty, copyright, or patent resulting from a
24 project supported by the trust fund to the project's proposer
25 when the amount of the original grant or loan, plus interest,
26 has been repaid to the trust fund.

27 Sec. 13. Minnesota Statutes 2004, section 116P.11, is
28 amended to read:

29 116P.11 [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

30 (a) The amount biennially available from the trust fund for
31 the budget plan developed by the ~~commission~~ council is as
32 defined in the Minnesota Constitution, article XI, section 14.

33 (b) Any appropriated funds not encumbered in the biennium
34 in which they are appropriated cancel and must be credited to
35 the principal of the trust fund.

36 Sec. 14. Minnesota Statutes 2004, section 116P.12,

1 subdivision 2, is amended to read:

2 Subd. 2. [APPLICATION AND ADMINISTRATION.] (a) The
3 ~~emmission~~ council must adopt a procedure for the issuance of
4 the water system improvement loans by the Public Facilities
5 Authority.

6 (b) The ~~emmission~~ council also must ensure that the loans
7 are administered according to its fiduciary standards and
8 requirements.

9 Sec. 15. Minnesota Statutes 2004, section 116P.15,
10 subdivision 2, is amended to read:

11 Subd. 2. [RESTRICTIONS; MODIFICATION PROCEDURE.] (a) An
12 interest in real property acquired with an appropriation from
13 the trust fund or the Minnesota future resources fund must be
14 used in perpetuity or for the specific term of an easement
15 interest for the purpose for which the appropriation was made.

16 (b) A recipient of funding who acquires an interest in real
17 property subject to this section may not alter the intended use
18 of the interest in real property or convey any interest in the
19 real property acquired with the appropriation without the prior
20 review and approval of the ~~emmission~~ council. The ~~emmission~~
21 council shall establish procedures to review requests from
22 recipients to alter the use of or convey an interest in real
23 property. These procedures shall allow for the replacement of
24 the interest in real property with another interest in real
25 property meeting the following criteria:

26 (1) the interest is at least equal in fair market value, as
27 certified by the commissioner of natural resources, to the
28 interest being replaced; and

29 (2) the interest is in a reasonably equivalent location,
30 and has a reasonably equivalent usefulness compared to the
31 interest being replaced.

32 (c) A recipient of funding who acquires an interest in real
33 property under paragraph (a) must separately record a notice of
34 funding restrictions in the appropriate local government office
35 where the conveyance of the interest in real property is filed.
36 The notice of funding agreement must contain:

1 (1) a legal description of the interest in real property
2 covered by the funding agreement;

3 (2) a reference to the underlying funding agreement;

4 (3) a reference to this section; and

5 (4) the following statement:

6 "This interest in real property shall be administered in
7 accordance with the terms, conditions, and purposes of the grant
8 agreement or work program controlling the acquisition of the
9 property. The interest in real property, or any portion of the
10 interest in real property, shall not be sold, transferred,
11 pledged, or otherwise disposed of or further encumbered without
12 obtaining the prior written approval of the Legislative
13 Commission-on-Minnesota-Resources council or its successor. If
14 the holder of the interest in real property fails to comply with
15 the terms and conditions of the grant agreement or work program,
16 ownership of the interest in real property shall transfer to
17 this state."

18 Sec. 16. [INITIAL CITIZEN APPOINTMENTS.]

19 The governor shall make the initial appointments of citizen
20 members to the Minnesota Conservation Heritage Council according
21 to the following schedule of terms:

22 (1) two members to serve for full six-year terms;

23 (2) two members to serve for five-year terms;

24 (3) two members to serve for four-year terms; and

25 (4) two members to serve for three-year terms.

26 Sec. 17. [TRANSITION.]

27 (a) The staff of the Legislative Commission on Minnesota
28 Resources shall provide administrative and technical assistance
29 to the council

30 (b) Administrative expenses saved through the elimination
31 of the Citizens Advisory Committee shall be used for the
32 administrative expenses of the council or other citizen advisory
33 committees created by the council.

34 Sec. 18. [REPEALER.]

35 (a) Minnesota Statutes 2004, sections 116P.02, subdivision
36 2, and 116P.06 are repealed.

1 (b) Minnesota Statutes 2004, section 116P.05, is repealed
2 effective June 30, 2005.

3 Sec. 19. [SUNSET.]

4 The provisions of this act terminate on June 30, 2011,
5 unless extended by the legislature.

6 Sec. 20. [EFFECTIVE DATE.]

7 Sections 1 to 19 are effective the day following final
8 enactment."

9 Delete the title and insert:

10

"A bill for an act

11

relating to natural resources; creating the Minnesota
12 Conservation Heritage Council; eliminating the
13 Legislative Commission on Minnesota Resources;
14 providing for disposition of certain revenues;
15 appropriating money; amending Minnesota Statutes 2004,
16 sections 116P.02, by adding a subdivision; 116P.03;
17 116P.04, subdivision 5; 116P.05, subdivision 1;
18 116P.07; 116P.08, subdivisions 3, 5, 6, 7, by adding a
19 subdivision; 116P.09; 116P.10; 116P.11; 116P.12,
20 subdivision 2; 116P.15, subdivision 2; repealing
21 Minnesota Statutes 2004, sections 116P.02, subdivision
22 2; 116P.05; 116P.06."

State Conservation and Fish and Wildlife Heritage Trust Fund Governance

State	Composition of the Recommendation Body				Recommendation Steps		Body Making Expenditure Decision			Expenditures per Year
	Citizen Board or Commission	Executive Branch Agency Representatives	Legislators	Experts	One Step	Two Step	Executive Agency	Board of Directors	Legislature	
Alabama	●(9)	●(2)		●(4)	●		●		●	\$9,000,000.00
Arizona	●(5)				●			●		\$10,000,000.00
Colorado	●(14)	●(4)			●			●		\$48,700,000.00
Delaware	●(8)		●(2)		●		●			\$9,000,000.00
Florida		●(5)		●(4)	●		●			\$105,000,000.00
Indiana	●(10)	●(6)			●		●			\$1,700,000.00
Maryland	●(5)	●(2)		●(2)	●		●			\$37,000,000.00
Michigan	●(4)	●(1)			●				●	\$32,000,000.00
Minnesota			●(20)			●			●	\$15,000,000.00
Nebraska	●(9)	●(5)			●			●		\$7,500,000.00
New Jersey	●(5)	●(4)			●			●		\$98,000,000.00
North Carolina	●(9)				●			●		\$5,000,000.00
Pennsylvania		●(4)			●		●			\$50,000,000.00
South Carolina	●(9)				●			●		\$8,000,000.00
Virginia	●(11)	●(1)	●(6)		●			●		\$5,000,000.00

FPI - Chaudhary
(for tomorrow's hearing)

April 2, 2005

Chaudhary/Tingelstad Amendment: Minnesota Conservation Heritage Council

Current process

❖ **Legislative Commission on Minnesota Resources (LCMR) and Citizens Advisory Council (CAC)**

- Lack of long-term strategic plan to address state's conservation needs
- Multi-step, bureaucratic, multi-year process cannot react quickly to new opportunities or critical needs
- Concerns about whether the LCMR has strayed from the Environment and Natural Resources Trust Fund constitutional dedication
- Citizen input often discarded in favor of legislative priorities

Proposal

❖ **Replace LCMR and CAC with the Minnesota Conservation Heritage Council**

- Single council made up of key legislators with citizen experts
- Grants to be made in strict accordance with the Trust Fund constitutional dedication and the 10 year Strategic Conservation Plan developed by the Council
- Trust Fund proceeds legislatively appropriated prior to the start of the biennium, for use by Council without additional action by legislature

Council consists of key legislators and citizen experts

❖ **20 person council, with 12 legislators and 8 citizen members**

- Citizen members:
 - Appointed by the Governor and confirmed by the Senate
 - Geographically diverse – one member per Congressional district
 - Politically diverse – no more than 4 from any single party
 - Staggered, six year terms for independence and continuity
 - Must have a demonstrated expertise/experience with conservation policy/science and not be a paid employee of any conservation organization
- Legislative members:
 - Chairs and ranking members from House and Senate committees with jurisdiction over natural resource policy and finance
 - Four at large legislative members

Strategic Conservation Plan

- ❖ **Council to develop a 10 year Strategic Conservation Plan, updated every two years, to identify and address state's conservation needs**

- Expenditure decisions made in strict accordance with Strategic Plan
- Must demonstrate a direct benefit to the state's natural resources
- Current LCMR staff would provide technical assistance to the Council

"Fill the Bucket" Appropriation

- ❖ **Trust fund proceeds made available to Council at the start of each biennium, for use in that biennium**

- Legislature to "fill the bucket." Prior to the start of a biennium, the legislature would appropriate the trust funds proceeds available for that biennium for use by the Council
- Bucket emptied as grants are approved. Over the course of that biennium, the Council would make funding allocation recommendations to the Governor. Upon receiving the approval of the Governor, trust fund proceeds appropriated for use by the Council would be distributed according to the approved recommendations of the Council
- Legislature review grants, then fill the bucket again. The next legislature would then receive the report of the Council as to how it allocated the previous biennium's appropriation, then would act to appropriate the trust fund proceeds for the next biennium, thus filling the bucket once again.
- Benefits. This "fill the bucket" approach provides for accountability for the appropriate use of trust fund dollars, as well as the ability to respond immediately to opportunities and critical needs as they arise

Recreation – Parks and Trails

- ❖ **The use of trust fund proceeds for a project with a recreational purpose is authorized, as long as that project is consistent with the constitutional dedication**