

Chair Founq Hawj  
Senate Environment, Climate, and Legacy Committee  
3231 Minnesota Senate Building  
95 University Avenue W.  
St. Paul, MN 55155

RE: Senate File 356

January 25, 2023

Chair Hawj and members of the Committee:

Thank you for the opportunity for our organizations to comment as it pertains to dedication of the lottery-in-lieu-sales tax. The dedication of in-lieu-of-sales tax funds on lottery games was passed by the legislature in 2000 and became an important funding source to benefit the state's natural resources. Specifically, the 6.5% in-lieu-of-sales tax collected on lottery ticket sales is deposited in Department of Natural Resources accounts and benefits Minnesotans' opportunities to access the outdoors. These accounts include the Game and Fish fund and Natural Resources fund, which support bedrock activities like management and protection of fish and wildlife resources, enforcing game and fish laws, providing access to lakes, rivers and streams, and state, regional and local parks and trails, and the Minnesota Zoo, Como Park Zoo and Conservatory, and Duluth Zoo.

The in-lieu sales tax dedication was reduced during a time of budget deficits, significantly decreasing in-lieu sales tax revenues toward the funds and their respective purposes. As we look to the future and the growing pressures on Minnesota's outdoors, reinstating the lottery-in-lieu dedication will enhance the state's ability to meet those growing needs and pressures, and support the economic activity outdoor recreation provides to our state.

We applaud the efforts to advance this proposal. A time of financial health for the state is a timely opportunity to return to the intended use of these dedicated funds so we can better invest in our future. This proposal will benefit Minnesotans who enjoy the outdoors, who support the maintenance of fish and wildlife habitats and water quality, who visit the state's zoos, and enjoy local parks and trails.

**We appreciate your leadership on SF356 and encourage the committee to advance this effort to restore funding toward activities that will have a direct impact on the lives of Minnesotans.**

Thank you for your effort on behalf of Minnesota and our natural resources.

Audubon Minnesota  
Backcountry Hunters and Anglers  
Ducks Unlimited  
Izaak Walton League – Minnesota Division  
Minnesota Conservation Federation  
Minnesota Deer Hunters Association  
Minnesota Land Trust  
Minnesota Sharp-tailed Grouse Society  
Pheasants Forever  
Ruffed Grouse Society and American Woodcock Society  
The Nature Conservancy  
Trout Unlimited  
Trust for Public Land