

1.1 **Senator Hawj from the Committee on Environment, Climate, and Legacy, to which**  
1.2 **was referred**

1.3 **S.F. No. 2404:** A bill for an act relating to natural resources; proposing an amendment  
1.4 to the Minnesota Constitution, article XI, section 14; providing for the renewal of the  
1.5 environment and natural resources trust fund; amending Minnesota Statutes 2022, section  
1.6 349A.08, subdivision 5.

1.7 Reports the same back with the recommendation that the bill be amended as follows:

1.8 Page 2, line 18, strike "CHANGE" and insert "CHANGES"

1.9 Page 2, after line 18, insert:

1.10 "Section 1. **[116P.011] CHAPTER DOES NOT APPLY TO CERTAIN**  
1.11 **APPROPRIATIONS.**

1.12 This chapter does not apply to appropriations from the environment and natural resources  
1.13 trust fund under section 116X.03 or to projects funded with those appropriations.

1.14 **EFFECTIVE DATE.** If the constitutional amendment in article 1, section 1, of this act  
1.15 is approved by the voters at the 2024 general election, this section is effective January 1,  
1.16 2025.

1.17 Sec. 2. **[116X.01] DEFINITIONS.**

1.18 Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

1.19 Subd. 2. **Advisory council.** "Advisory council" means the council created under section  
1.20 116X.05.

1.21 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of natural resources.

1.22 Subd. 4. **Grant program.** "Grant program" means the program established under section  
1.23 116X.03.

1.24 **EFFECTIVE DATE.** This section is effective the date following the day on which the  
1.25 constitutional amendment in article 1, section 1, of this act is approved by the voters at the  
1.26 2024 general election.

1.27 Sec. 3. **[116X.03] ENVIRONMENT AND NATURAL RESOURCES TRUST FUND**  
1.28 **COMMUNITY GRANT PROGRAM.**

1.29 Subdivision 1. **Establishment.** The commissioner must establish the Environment and  
1.30 Natural Resources Trust Fund Community Grant Program for the benefit of current residents  
1.31 and future generations. The commissioner must make awards under the program to partner

2.1 organizations that will select and fund projects that are eligible to be funded under the terms  
2.2 of the Minnesota Constitution, article XI, section 14, but have not traditionally been funded  
2.3 from that source.

2.4 Subd. 2. **Priority.** In awarding grants under this section, the commissioner must give  
2.5 priority to awarding grants to partner organizations that will fund projects that will:

2.6 (1) be undertaken in census tracts that are overburdened or underserved, including  
2.7 communities disproportionately affected by agriculture loss, building loss, wildfire risk,  
2.8 low incomes, high energy costs, rates of asthma, rates of diabetes, rates of heart disease,  
2.9 low life expectancy, high housing costs, lack of greenspace, lack of indoor plumbing,  
2.10 presence of lead paint, proximity to hazardous waste and related facilities, particulate matter  
2.11 exposure, linguistic isolation, or unemployment; and

2.12 (2) provide multiple public benefits.

2.13 Subd. 3. **Appropriation.** Each year of a biennium, commencing on July 1 in each  
2.14 odd-numbered year and ending on and including June 30 in the next odd-numbered year,  
2.15 1.5 percent of the market value of the environment and natural resources trust fund on June  
2.16 30 one year before the start of the biennium is appropriated to the commissioner of natural  
2.17 resources to provide grants under the grant program.

2.18 Subd. 4. **Administrative expenses.** No more than four percent of a grant made under  
2.19 the grant program may be used by the partner organization for administration and monitoring  
2.20 of the grant.

2.21 Subd. 5. **Improper expenditure of funds.** The commissioner may require a recipient  
2.22 of a grant under this section to return all money awarded to the recipient if the recipient  
2.23 does not use the money to complete the project in accordance with the applicable agreement.

2.24 **EFFECTIVE DATE.** If the constitutional amendment in article 1, section 1, of this act  
2.25 is approved by the voters at the 2024 general election, this section is effective January 1,  
2.26 2025.

2.27 Sec. 4. **[116X.05] ENVIRONMENT AND NATURAL RESOURCES TRUST FUND**  
2.28 **COMMUNITY GRANT ADVISORY COUNCIL; REPORTING.**

2.29 Subdivision 1. **Establishment.** The commissioner of natural resources must establish  
2.30 an Environment and Natural Resources Trust Fund Community Grant Advisory Council.

3.1 Subd. 2. **Membership; terms.** (a) The commissioner, in consultation with the  
3.2 commissioner of health, must appoint 11 residents of Minnesota to the advisory council as  
3.3 follows:

3.4 (1) three members who reside in and represent various genders, ethnicities, ages, and  
3.5 other demographics from rural communities in Minnesota;

3.6 (2) three members who reside in and represent various genders, ethnicities, ages, and  
3.7 other demographics from urban or suburban communities in Minnesota;

3.8 (3) two members who are members of the Ojibwe Tribe;

3.9 (4) two members who are members of the Dakota Tribe; and

3.10 (5) one member who identifies as Black or African American, Hispanic or Latino, Asian,  
3.11 Pacific Islander, or as a member of a community of color.

3.12 (b) In addition to the members appointed under paragraph (a), the commissioner, in  
3.13 consultation with the commissioner of health, may appoint up to eight additional residents  
3.14 of Minnesota to the advisory council when, in the commissioner's discretion, it is necessary  
3.15 in order to ensure that the advisory council is sufficiently representative of various Minnesota  
3.16 communities.

3.17 (c) The membership appointed under paragraphs (a) and (b) must include persons who:

3.18 (1) have experience or expertise in the science, policy, or practice of the protection,  
3.19 conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife,  
3.20 and other natural resources, including expertise in understanding the cultural context in  
3.21 which these activities are undertaken from the perspective of Tribal communities;

3.22 (2) have strong knowledge of the state's environment and natural resource issues around  
3.23 the state, including those that are of particular importance to Tribal communities; and

3.24 (3) have demonstrated the ability to work in a collaborative environment.

3.25 (d) Members shall serve staggered three-year terms, beginning in January of the first  
3.26 year and continuing through the end of December of the final year. Members continue to  
3.27 serve until their replacement is named. Initial appointees may be appointed to terms of less  
3.28 than three years in order to establish a structure of staggered terms.

3.29 Subd. 3. **Duties.** (a) The advisory council must:

3.30 (1) advise the commissioner on the development of criteria, forms, applications, and  
3.31 reporting for grants awarded under the grant program created in section 116X.03;

4.1 (2) review proposed grant program policies and budgets for the coming year;

4.2 (3) propose changes to the grant program as needed;

4.3 (4) review other relevant information;

4.4 (5) make recommendations to the legislature and the commissioner for improvements  
4.5 in the management of the grant program; and

4.6 (6) review and advise on partner organization eligibility.

4.7 (b) The commissioner must provide the council with the information required to perform  
4.8 its duties under this subdivision.

4.9 Subd. 4. **Per diem.** Members of the council are entitled to per diem and reimbursement  
4.10 for expenses incurred in the services of the commission, as provided in section 15.059,  
4.11 subdivision 3.

4.12 Subd. 5. **Reporting.** (a) By October 1 each year, a partner organization that receives a  
4.13 grant under this section must report to the commissioner and the advisory council on the  
4.14 use of the grant money during the previous fiscal year. The report must include information  
4.15 about projects funded with the grant, the purpose and amount funded for each project, and  
4.16 the amount of administrative expenses for each project.

4.17 (b) By February 1 each year, the commissioner must report to the chairs and ranking  
4.18 minority members of the house of representatives and senate committees and divisions with  
4.19 jurisdiction over the environment and natural resources on the activities of the grant program  
4.20 during the previous fiscal year. The report must summarize the information received under  
4.21 paragraph (a) and must present additional relevant information about the functioning and  
4.22 outcomes of the program.

4.23 **EFFECTIVE DATE.** This section is effective the date following the day on which the  
4.24 constitutional amendment in article 1, section 1, of this act is approved by the voters at the  
4.25 2024 general election."

4.26 Page 2, after line 30, insert:

4.27 "Sec. 6. **INITIAL REPORTING DATES.**

4.28 Notwithstanding Minnesota Statutes, section 116X.05, subdivision 4, a partner  
4.29 organization is not required to submit a report before October 1, 2026, and the commissioner  
4.30 of natural resources is not required to submit a report before February 1, 2027."

4.31 Renumber the sections in sequence

5.1 Amend the title as follows:

5.2 Page 1, line 4, after "fund;" insert "establishing the environment and natural resources  
5.3 trust fund community grant program; appropriating money;"

5.4 Amend the title numbers accordingly

5.5 And when so amended the bill do pass and be re-referred to the Committee on State and  
5.6 Local Government and Veterans. Amendments adopted. Report adopted.

5.7 .....  
5.8 (Committee Chair)

5.9 March 15, 2023.....  
5.10 (Date of Committee recommendation)