

# Research Department

Patrick J. McCormack, Director

600 State Office Building  
St. Paul, Minnesota 55155-1298  
651-296-6753 [FAX 651-296-9887]  
[www.house.mn/hrd/hrd.htm](http://www.house.mn/hrd/hrd.htm)



# Minnesota House of Representatives

August 27, 2009

TO: Representative Mary Murphy  
FROM: Mark Shepard, Legislative Analyst  
RE: Legislative Guide

You asked for my thoughts on requirements for the Legislative Guide for use and expected outcomes of funds received from dedicated sales tax receipts. The requirements for the Legislative Guide are specified in Laws 2009, chapter 172, article 5, section 8. The text of that section is reproduced at the end of this memo. In particular you asked for thoughts on how the requirements for the Legislative Guide relate to the Investment Goals that the Cultural and Outdoor Resource Finance Division adopted in March 2009.

## Requirements

### General thoughts

- The law leaves the entities responsible for producing the Legislative Guide considerable flexibility in stating principles for use of funds and expected outcomes. The principles could be very broad and general or could be quite specific in some or all areas.
- The Legislative Guide is not legally binding on future legislatures or on recommendations made by future members of the Lessard-Sams Outdoor Heritage Council. Rather, as the name implies, the document will be available to guide those making recommendations or legislative decisions from 2010 to 2015.
- The Legislative Guide is for the years 2010 to 2015. So the time period that the guide covers is different from the 25-year strategic plan that legislative committees are required to develop by January 15, 2011.

## Specific Requirements

The Legislative Guide must:

- include principles for managing future state obligations, including PILT and land management and monitoring;
- include principles to guide future expenditures for each of the four funds created in the constitution;
- include desired outcomes for the expenditures;
- include a general statement applicable to years after 2015;
- consider financial methods such as revolving loan funds that may be used in future appropriations.

## **Relation to committee principles**

Many of the “Constitutional Amendment Investment Goals” adopted by the Cultural and Outdoor Resources Finance Division seem appropriate for possible inclusion in a Legislative Guide, but may need to be supplemented.

- Many of the Investment Goals potentially could be used in the Legislative Guide to apply to all funds. (For example, the Investment Goals include: “Meet all Constitutional and legal requirements”; “Use existing funding systems, state agencies, and entities”; “...geographical and regional fairness”; “give priority to projects that improve the state or regional economy.”)
- The language in chapter 172 states that the Legislative Guide shall include principles for each fund. This implies that the legislative guide might be more specific than the Investment Goals in setting principles for each individual fund, in addition to the general principles applicable to all of the funds.
- The Investment Goals state that indicators of success and accountability should be developed. The language in chapter 172 provides that the Legislative Guide should include desired outcomes. The Investment Goals contain some outcomes (e.g. “...greater access to arts and cultural activities...clean water...a fully restored outdoors environment with hunting and fishing opportunities, outdoor recreation, public broadcasting and celebrations of Minnesota’s traditions and history” and “prevent pollution and restore impaired waters.” The entities developing the Legislative Guide could consider if they would like the guide to include additional or more specific expected outcomes.
- Chapter 172 requires the Legislative Guide to consider financial methods such as revolving loan funds. The Investment Goals do not specifically address this issue.
- Chapter 172 requires the Legislative Guide to include principles for managing future state obligations. The Investment Goals do not specifically address this issue.

## Process for adopting the Legislative Guide

Chapter 172 provides that the Legislative Guide shall be recommended jointly by the House Cultural and Outdoor Resources Division, the appropriate Senate committees, and the Lessard-Sams Outdoor Heritage Council. The law does not specify exactly how this is to occur. Some thoughts:

- The requirement that the guide be recommended jointly means that all of the relevant entities should act on the same document.
- A joint meeting of all of the relevant entities would be one way to ensure that the guide is “recommended jointly.” However, the law does not specifically require a joint meeting, so it is possible the various entities could meet separately to recommend adoption of the (same) Legislative Guide. But the “recommended jointly” language implies some degree of communication and cooperation between the responsible entities.
- Even if the various entities met jointly, each entity likely should vote separately to recommend the guide. In other words, the guide should be recommended by a majority of those voting on the issue in the House Division, a majority of the Lessard-Sams Outdoor Heritage Council, and a majority of the members of the appropriate Senate committees. (Rather than having one overall vote of all participants from all involved groups).
- Although the law does not limit the role of the Lessard-Sams Outdoor Heritage Council, the council’s jurisdiction extends only to the Outdoor Heritage Fund. Therefore, it would seem the council would have authority only over principles that apply to all funds and to principles that apply specifically to the Outdoor Heritage Fund.

MS/jv

Laws 2009, chapter 172, article 5, section 8

Sec. 8. **LEGISLATIVE GUIDE.** A legislative guide shall be recommended stating principles for the use and expected outcomes of all funds from dedicated sales taxes pursuant to the Minnesota Constitution, article XI, section 15. The guide shall include principles for managing future state obligations, including payment in lieu of taxes and land management and monitoring necessary for lands acquired in fee or easement. This guide shall be recommended jointly by the Cultural and Outdoor Resources Division of the house of representatives, the appropriate senate committees as designated by the majority leader of the senate, and the Lessard Outdoor Heritage Council. The recommendations must be presented to the legislature by January 15, 2010, and acted on by the legislature. The legislative guide required by this section shall be for the years 2010 to 2015 and shall include the following provisions:

- (1) principles by which to guide future expenditures for each fund;
- (2) desired outcomes for the expenditures;
- (3) a general statement applicable to later years for these funds; and
- (4) consideration of financial methods such as revolving loan funds that may be used in future appropriations.