

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H. F. 1671  
**Version:** Third Engrossment  
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**Authors:** Holsten and others  
**Subject:** Dedication of Sales Tax; Information on constitutional amendments  
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### Overview

Proposes two constitutional amendments dedicating a portion of the general sales and use tax revenues to specific purposes. The first would dedicate the revenue raised from a rate equal to 3/16 of one percent of taxable sales and uses for a period of 21 years to be used for various natural resource purposes. The other would be a permanent dedication of the revenue raised from a rate equal to 3/16 of one percent of taxable sales and uses for education. The amount raised by a tax of 3/16 of one percent on sales and uses is about \$130 million annually when the amendment takes effect.

### Section

#### Article 1

#### Conservation

- 1 **Constitutional amendment.** Proposes a constitutional amendment that would dedicate the amount raised by 3/16 of one percent on state sales and uses taxable under the general state sales and use tax law, beginning on July 1, 2005, and ending July 1, 2026, as follows:
  - 51% to be deposited in the Minnesota conservation heritage enhancement fund, to be spent for specified natural resource purposes, with any land acquired to be open for fishing and hunting;
  - 20% to be spent for state parks and trails;
  - 20% for metropolitan parks and trail grants;
  - 7% for grant-in-aid trails and local and regional parks and trail grants; and
  - 2% for state and local zoos.The constitutional amendment also provides that the money dedicated under this section shall be appropriated by law.
- 2 **Submission to voters.** Submits the text of the actual question for voter approval at the 2002

general election.

3 **Reciprocity.** The Minnesota zoo must participate in membership reciprocity with other  
accredited Minnesota zoos.

4 **Effective date.** Makes sections 1 and 2 apply to sales and uses taxes occurring after June 30,  
2005.

## Article 2

### Constitutional Amendment Information

1 **Information.** Provides that at least 90 days before a general election at which a proposed  
constitutional amendment is submitted to the voters, the secretary of state must post on the  
office website the statement of the purpose and effect of the constitutional amendment that the  
attorney general has prepared. The secretary of state, in consultation with the attorney general,  
must also prepare and post a voter guide that summarizes impartially the issues presented to the  
voters by the constitutional amendment and the arguments commonly advanced in support of an  
opposition to the amendment. The secretary of state must also provide Internet links to  
information provided by supporters and opponents of the amendment.

## Article 3

### Education

1 **Constitutional amendment.** Proposes a constitutional amendment, which would dedicate the  
amount raised by 3/16 of one percent on state sales and uses taxable under the general state  
sales and use tax law, beginning on July 1, 2005, to improve, enhance and sustain public  
education. Provides that money dedicated under this section shall be appropriated by law.  
Creates an education excellence fund in the state treasury.

2 **Submission to voters.** Submits the text of the actual question for voter approval at the 2002  
general election.

3 **Education excellence fund.** Provides in law that money deposited in the constitutional  
education excellence fund is appropriated to increase the general education formula allowance.

4 **Basic revenue.** Provides that for fiscal year 2006 and later, the formula allowance for each  
school district is increased by the revenue available in the education excellence account divided  
by the adjusted marginal cost pupil units.

5 **Effective date.** Provides that sections 1 and 2 apply to sales and uses occurring after June 30,  
2005. Sections 3 and 4 are effective July 1, 2005 if the constitutional amendment proposed in  
sections 1 and 2 is adopted by the voters.