

Subject Environment and Natural Resources Trust Fund

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Overview

This bill would propose a constitutional amendment in the 2022 general election that would increase the amount of lottery proceeds dedicated to the environment and natural resources trust fund to 50 percent as well as establish a new housing fund that would receive the remaining 50 percent. A new Housing Fund Council would be established if the constitutional amendment passes to make recommendations on how to spend money in the new fund.

The environment and natural resources trust fund is a constitutionally dedicated fund that may be spent only on the “protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources.” The fund currently receives 40 percent of the net proceeds from the state lottery.

Article 1: Constitutional Amendment

Section Description – Article 1: Constitutional Amendment

1 Constitutional amendment proposed.

Proposes a constitutional amendment that would increase the amount of lottery proceeds dedicated to the environment and natural resources trust fund from 40 to 50 percent and dedicate the proceeds until 2050. The proposed amendment would also prohibit the assets in the fund from being used to pay the principal or interest of any bonds or from being used to pay any costs related to the construction, repair, improvement, or operation of wastewater facilities or systems. It would add “addressing climate change” to the list of uses for the fund. It would also increase the amount that may be appropriated each year from the fund from 5½ percent to 7 percent of the market value of the fund.

The amendment would also establish a new housing fund to provide housing, improve housing affordability, and increase homeownership. The fund would receive the remaining 50 percent of the lottery proceeds until 2050.

Section Description – Article 1: Constitutional Amendment

2 Submission to voters.

States the question for the proposed environment and natural resources trust fund and housing fund amendment that would be submitted to the voters in the 2022 general election.

Article 2: Statutory Changes

Section Description – Article 2: Statutory Changes

1 Payment; unclaimed prizes.

Requires all unclaimed prize money from the lottery to be transferred to the environment and natural resources trust fund each fiscal year. Under current law, it is transferred to the general fund. This section would become effective January 1, 2023, if the constitutional amendment proposed in article 1 was approved by the voters.

2 Deposit of net proceeds.

Statutorily allocates 50 percent of lottery proceeds to the environment and natural resources trust fund and 50 percent of the lottery proceeds to the new housing fund.

This section would become effective January 1, 2023, if the constitutional amendment proposed in article 1 was approved by the voters.

3 Housing fund; Housing Fund Council.

Subd. 1. Housing fund. Statutorily establishes the housing fund and appropriates money in the fund to the commissioner of the Minnesota Housing Finance Agency. Specifies what the money may be used for.

Subd. 2. Housing Fund Council. Establishes a nine-member Housing Fund Council appointed by the Governor. Specifies the membership, terms, and administration of the council.

Subd. 3. Council recommendations. Requires the Housing Fund Council to make recommendations to the Minnesota Housing Finance Agency on how the money in the housing fund should be spent. Requires priority to be given to projects that build or preserve housing meeting certain affordability criteria.

Subd. 4. Conflict of interest. Prohibits a Housing Fund Council member from participating in a vote or decision relating to an organization the member has a direct or indirect personal financial interest in.

Section Description – Article 2: Statutory Changes

This section would become effective January 1, 2023, if the constitutional amendment proposed in article 1 is approved by the voters.

4 Initial appointments and first meeting.

Requires appointments to the Housing Fund Council to be made by February 1, 2023, and the first meeting to be convened by June 15, 2023. Specifies the initial terms for council members.

This section would become effective January 1, 2023, if the constitutional amendment proposed in article 1 was approved by the voters.



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