

1.1 A bill for an act  
1.2 relating to natural resources; proposing an amendment to the Minnesota  
1.3 Constitution, article XI, by adding a section; increasing the sales tax rate by  
1.4 one-fourth of one percent and dedicating the receipts for natural resources, clean  
1.5 water, and arts purposes; establishing a great outdoors, clean water, and arts  
1.6 fund; authorizing the sale of state bonds; amending Minnesota Statutes 2006,  
1.7 sections 297A.62, subdivision 1; 297A.94; 297B.02, subdivision 1; proposing  
1.8 coding for new law in Minnesota Statutes, chapter 103F.

1.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.10 Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

1.11 An amendment to the Minnesota Constitution is proposed to the people. If the  
1.12 amendment is adopted, a section will be added to article XI, to read:

1.13 Sec. 15. Beginning July 1, 2009, until June 30, 2049, the sales and use tax rate shall be  
1.14 increased by one-fourth of one percent on sales and uses taxable under the general state  
1.15 sales and use tax law. Receipts from the increase, plus penalties and interest and reduced  
1.16 by any refunds, are dedicated to and must be deposited in the great outdoors, clean water,  
1.17 and arts fund. Money in the fund must be appropriated by law and may be spent only:

1.18 (1) to protect and restore the state's lakes, rivers, streams, wetlands, and groundwater;

1.19 (2) to protect, preserve, and enhance the state's fish and wildlife habitat, parks,  
1.20 trails, and natural areas; and

1.21 (3) to support arts, humanities, history, museums, and public broadcasting.

1.22 A great outdoors, clean water, and arts fund is established in the state treasury.

1.23 From July 1, 2009, until June 30, 2029, the commissioner of finance may sell and  
1.24 issue bonds for the purposes of the fund. The proceeds of the bonds shall be paid into  
1.25 the fund. The priority fund expenditure is to pay principal and interest due on issued

2.1 bonds. If the fund is not adequate to pay principal and interest on the bonds when due, the  
2.2 legislature shall appropriate money from the state treasury to the fund.

2.3 **Sec. 2. SUBMISSION TO VOTERS.**

2.4 The proposed amendment must be submitted to the people at the 2008 general  
2.5 election. The question submitted must be:

2.6 "Shall the Minnesota Constitution be amended to provide funding to protect,  
2.7 preserve, and enhance the state's fish and wildlife habitat, parks, trails, and natural areas;  
2.8 to protect and restore the state's lakes, rivers, streams, wetlands, and groundwater; and  
2.9 to support arts, humanities, history, museums, and public broadcasting by increasing the  
2.10 sales and use tax rate by one-fourth of one percent on taxable sales until the year 2049 and  
2.11 by authorizing the sale and issuance of bonds until the year 2029?

2.12 Yes .....

2.13 No ....."

2.14 **Sec. 3. [103F.906] GREAT OUTDOORS, CLEAN WATER, AND ARTS FUND.**

2.15 The great outdoors, clean water, and arts fund is established in the Minnesota  
2.16 Constitution, article XI, section 15. The commissioner of finance shall credit to the fund  
2.17 the increased tax receipts and proceeds from the sale of bonds pursuant to that section. All  
2.18 contributions, gifts, and money earned by the fund must be credited to the fund. No more  
2.19 than three percent of the fund may be used for administrative purposes. A great outdoors  
2.20 account, a clean water account, and an arts and humanities account shall be created in  
2.21 the fund. A minimum of \$100,000,000 each year must be deposited in the clean water  
2.22 account and a minimum of \$..... each year must be deposited in the arts and humanities  
2.23 account from the tax receipts collected or bonding proceeds, as provided in the Minnesota  
2.24 Constitution, article XI, section 15.

2.25 **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional  
2.26 amendment proposed in section 1 is adopted.

2.27 **Sec. 4. Minnesota Statutes 2006, section 297A.62, subdivision 1, is amended to read:**

2.28 **Subdivision 1. Generally.** (a) Except as otherwise provided in subdivision 2 or 3  
2.29 or in this chapter, a sales tax of 6.5 percent is imposed on the gross receipts from retail  
2.30 sales as defined in section 297A.61, subdivision 4, made in this state or to a destination  
2.31 in this state by a person who is required to have or voluntarily obtains a permit under  
2.32 section 297A.83, subdivision 1.

3.1            (b) The increased rate required under the Minnesota Constitution, article XI, section  
3.2 15, is in addition to the rate imposed under paragraph (a).

3.3            **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional  
3.4 amendment proposed in section 1 is adopted.

3.5            Sec. 5. Minnesota Statutes 2006, section 297A.94, is amended to read:

3.6            **297A.94 DEPOSIT OF REVENUES.**

3.7            (a) Except as provided in this section and the Minnesota Constitution, article XI,  
3.8 section 15, the commissioner shall deposit the revenues, including interest and penalties,  
3.9 derived from the taxes imposed by this chapter in the state treasury and credit them to the  
3.10 general fund.

3.11            (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic  
3.12 account in the special revenue fund if:

3.13            (1) the taxes are derived from sales and use of property and services purchased for  
3.14 the construction and operation of an agricultural resource project; and

3.15            (2) the purchase was made on or after the date on which a conditional commitment  
3.16 was made for a loan guaranty for the project under section 41A.04, subdivision 3.

3.17            The commissioner of finance shall certify to the commissioner the date on which the  
3.18 project received the conditional commitment. The amount deposited in the loan guaranty  
3.19 account must be reduced by any refunds and by the costs incurred by the Department of  
3.20 Revenue to administer and enforce the assessment and collection of the taxes.

3.21            (c) The commissioner shall deposit the revenues, including interest and penalties,  
3.22 derived from the taxes imposed on sales and purchases included in section 297A.61,  
3.23 subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them  
3.24 as follows:

3.25            (1) first to the general obligation special tax bond debt service account in each fiscal  
3.26 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

3.27            (2) after the requirements of clause (1) have been met, the balance to the general  
3.28 fund.

3.29            (d) The commissioner shall deposit the revenues, including interest and penalties,  
3.30 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the  
3.31 general fund. By July 15 of each year the commissioner shall transfer to the highway user  
3.32 tax distribution fund an amount equal to the excess fees collected under section 297A.64,  
3.33 subdivision 5, for the previous calendar year.

4.1 (e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and  
4.2 for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and  
4.3 penalties, transmitted to the commissioner under section 297A.65, must be deposited by  
4.4 the commissioner in the state treasury as follows:

4.5 (1) 50 percent of the receipts must be deposited in the heritage enhancement account  
4.6 in the game and fish fund, and may be spent only on activities that improve, enhance, or  
4.7 protect fish and wildlife resources, including conservation, restoration, and enhancement  
4.8 of land, water, and other natural resources of the state;

4.9 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and  
4.10 may be spent only for state parks and trails;

4.11 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and  
4.12 may be spent only on metropolitan park and trail grants;

4.13 (4) three percent of the receipts must be deposited in the natural resources fund, and  
4.14 may be spent only on local trail grants; and

4.15 (5) two percent of the receipts must be deposited in the natural resources fund,  
4.16 and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and  
4.17 Conservatory, and the Duluth Zoo.

4.18 (f) The revenue dedicated under paragraph (e) may not be used as a substitute  
4.19 for traditional sources of funding for the purposes specified, but the dedicated revenue  
4.20 shall supplement traditional sources of funding for those purposes. Land acquired with  
4.21 money deposited in the game and fish fund under paragraph (e) must be open to public  
4.22 hunting and fishing during the open season, except that in aquatic management areas or  
4.23 on lands where angling easements have been acquired, fishing may be prohibited during  
4.24 certain times of the year and hunting may be prohibited. At least 87 percent of the money  
4.25 deposited in the game and fish fund for improvement, enhancement, or protection of fish  
4.26 and wildlife resources under paragraph (e) must be allocated for field operations.

4.27 **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional  
4.28 amendment proposed in section 1 is adopted.

4.29 Sec. 6. Minnesota Statutes 2006, section 297B.02, subdivision 1, is amended to read:

4.30 Subdivision 1. **Rate.** There is imposed an excise tax at the rate provided in ~~chapter~~  
4.31 ~~297A~~ section 297A.62, subdivision 1, paragraph (a), on the purchase price of any motor  
4.32 vehicle purchased or acquired, either in or outside of the state of Minnesota, which is  
4.33 required to be registered under the laws of this state.

5.1           The excise tax is also imposed on the purchase price of motor vehicles purchased  
5.2           or acquired on Indian reservations when the tribal council has entered into a sales tax on  
5.3           motor vehicles refund agreement with the state of Minnesota.

5.4           **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional  
5.5           amendment proposed in section 1 is adopted.