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Senate

State of Minnesota

Information for the Iowa Sustainable Funding for
Natural Resources Study Committee

From Minnesota State Senator Dennis Frederickson

November 2, 2007



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COMMITTEES: Environment and Natural Resources • Finance • Capital Investment
Environment, Energy and Natural Resources Budget Division • Rules and Administration
Legislative-Citizen Commission on Minnesota Resources

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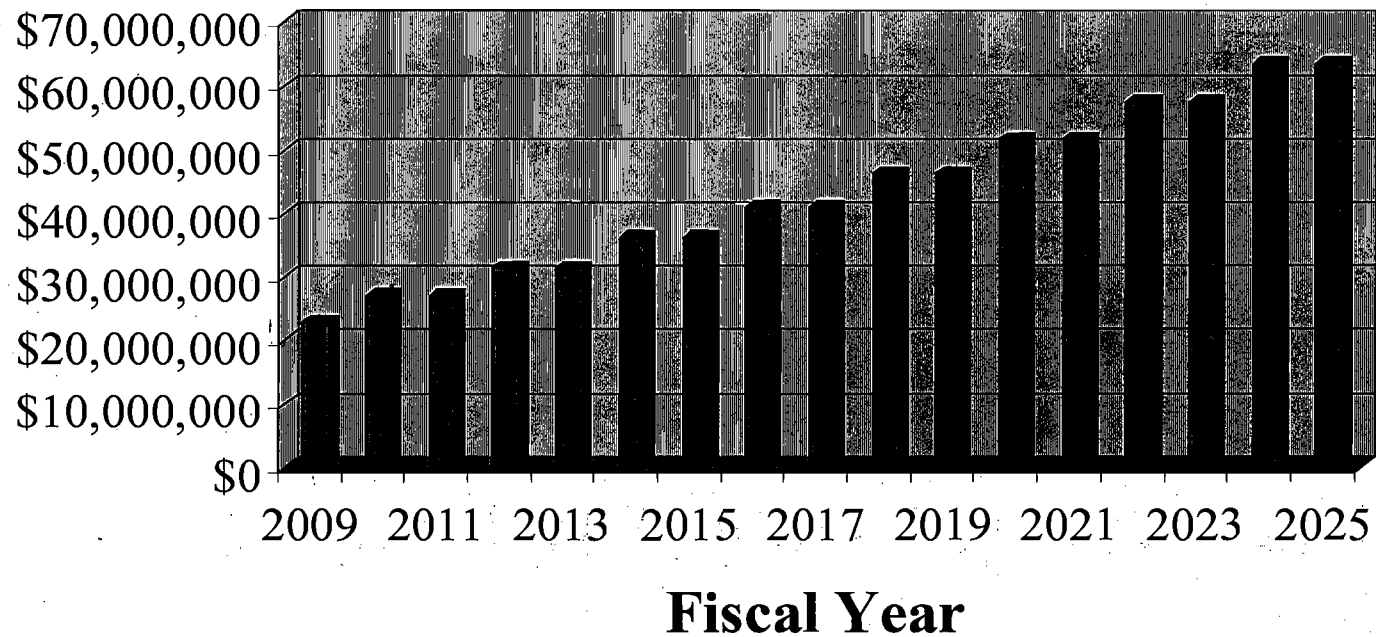
Selected Revenue Sources for Natural Resources in Minnesota

	<u>FY2008</u>	<u>FY2009</u>
Non-Game Wildlife (Tax Form Check-Off)	\$ 1,150,000	\$ 1,150,000
Reinvest in Minnesota License Plates	\$ 3,590,000	\$ 3,590,000
Other Non-license Sources:		
- State Waterfowl Stamp	\$ 700,000	\$ 700,000
- Trout Stamp	\$ 830,000	\$ 820,000
- Pheasant Stamp	\$ 795,000	\$ 800,000
- Turkey Stamp	\$ 125,000	\$ 125,000
- <u>Wildlife Acquisition Surcharge</u>	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>
Total Other Sources:	\$ 4,250,000	\$ 4,245,000
Lottery-in-Lieu Tax		
- Heritage Enhancement (Game & Fish)	\$ 10,266,000	\$ 10,341,000
- State Parks and Trails	\$ 616,000	\$ 620,000
- Metro Parks and Trails	\$ 4,620,000	\$ 4,654,000
- Local Trails Grants	\$ 4,620,000	\$ 4,654,000
- <u>Zoos</u>	<u>\$ 411,000</u>	<u>\$ 414,000</u>
Total Lottery-in-Lieu:	\$ 20,533,000	\$ 20,683,000

Minnesota Constitution

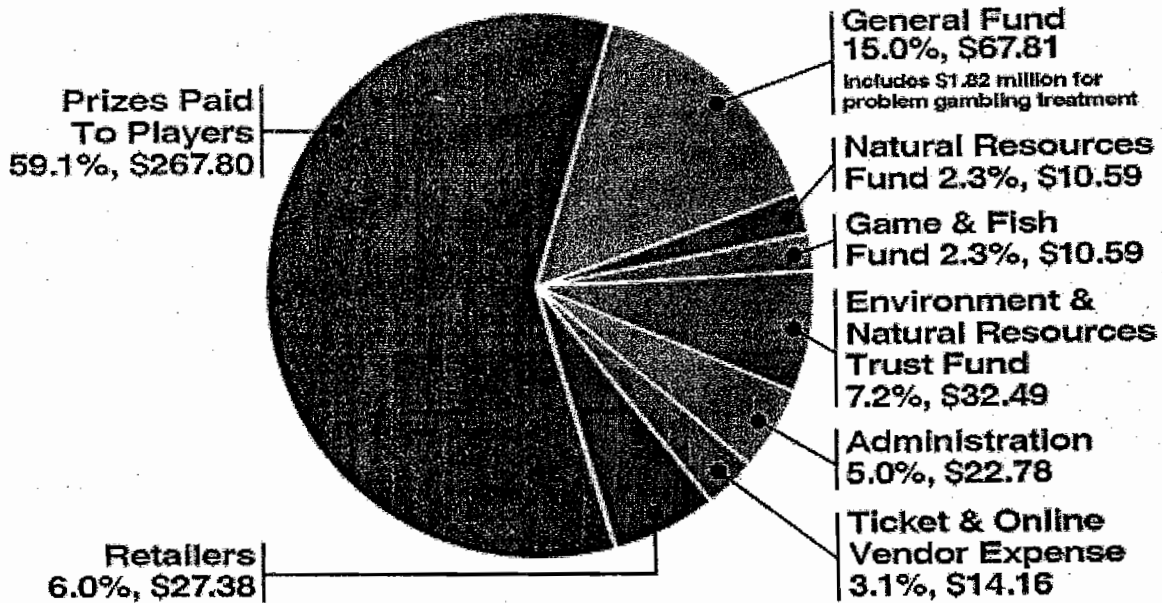
Article 11, Sec. 14. **ENVIRONMENT AND NATURAL RESOURCES FUND.** A permanent environment and natural resources trust fund is established in the state treasury. Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund until the year 2025.

State Board of Investment Estimate of 5.5% of ENTF Through FY 2025 (1/12/2007)



MINNESOTA STATE LOTTERY

Where the Money Goes



**Dollar Distribution
Fiscal Year 2006**

Dollar Amounts in Millions
*All Figures are Rounded

FISCAL YEAR 2006 REVENUE DISTRIBUTION

Total Revenue: \$451.41 million

(an additional \$2.19 million was transferred to the state's General Fund from unclaimed prizes held in trust for the state)

Net Profits to State Programs: \$121.48 million

For every dollar spent on Lottery tickets in Fiscal Year 2006:

- 59.1 cents went to pay prizes to winning players
- 8.1 cents was used to pay ticket, online vendor and administrative costs
- 6.0 cents was paid to retailers in the form of commission and incentives

The remaining 26.8 cents went to the state:

- 15 cents to the state General Fund to support services such as K-12 education, health care, aid to local governments and public safety. Of this amount, \$1.8 million was set

aside to help combat problem gambling. From the Lottery's inception through June 2006, \$870.2 million has gone to the General Fund.

- **7.2 cents** to the Environment and Natural Resources Trust Fund to finance projects that preserve, restore and enhance our state's natural resources. The Trust Fund is financing 55 projects, totaling \$33 million, this biennium (2005-2007). From the start of the Lottery through June 2006, the Trust Fund has received more than \$399 million.
- **4.6 cents** more to the state's environment which received a boost when the 2000 Legislature reallocated the in-lieu-of-sales tax. This money which was previously allocated to the General Fund now goes to fish and game, parks, trails and zoos.
 - 2.3 cents to the Game and Fish Fund
 - 2.3 cents to the Natural Resources Fund

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