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# HOUSE FILE No. 3292

## *FIRST COMMITTEE ENGROSSMENT*

February 20, 2008

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The bill was read for the first time and referred to the Committee on E-12 Education

February 25, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Governmental Operations, Reform, Technology and Elections

February 28, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Finance

March 3, 2008

By motion, recalled and re-referred to the Committee on Environment and Natural Resources

March 10, 2008

Committee Recommendation and Adoption of Report:

To Pass and re-referred to the Committee on Finance

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*Referred by Chair to Environment and Natural Resources Finance Division.*

March 25, 2008

*Returned to the Committee on Finance as Amended.*

1.1 A bill for an act  
1.2 relating to education; managing school trust fund lands; improving the returns  
1.3 for school trust fund lands; redefining the mission of the Permanent School Fund  
1.4 Advisory Committee; providing a report; amending Minnesota Statutes 2006,  
1.5 sections 16A.06, by adding a subdivision; 84.027, by adding a subdivision;  
1.6 127A.30.

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

1.8 Section 1. Minnesota Statutes 2006, section 16A.06, is amended by adding a  
1.9 subdivision to read:

1.10 Subd. 10. **Permanent school fund reporting.** The commissioner shall biannually  
1.11 report to the Permanent School Fund Advisory Committee and the legislature on the  
1.12 management of the permanent school trust fund that shows how the commissioner  
1.13 maximized the long-term economic return of the permanent school trust fund.

1.14 Sec. 2. Minnesota Statutes 2006, section 84.027, is amended by adding a subdivision  
1.15 to read:

1.16 Subd. 18. **Permanent school fund authority; reporting.** The commissioner of  
1.17 natural resources has the authority and responsibility for the administration of school trust  
1.18 lands under sections 92.121 and 127A.31. The commissioner shall biannually report to the  
1.19 Permanent School Fund Advisory Committee and the legislature on the management of  
1.20 the school trust lands that shows how the commissioner has and will continue to achieve  
1.21 the following goals:

1.22 (1) manage the school trust lands efficiently;

1.23 (2) reduce the management expenditures of school trust lands and maximize the  
1.24 revenues deposited in the permanent school trust fund;

2.1 (3) manage the sale, exchange, and commercial leasing of school trust lands to  
2.2 maximize the revenues deposited in the permanent school trust fund and retain the value  
2.3 from the long-term appreciation of the school trust lands; and

2.4 (4) manage the school trust lands to maximize the long-term economic return for the  
2.5 permanent school trust fund while maintaining sound natural resource conservation and  
2.6 management principals.

2.7 Sec. 3. Minnesota Statutes 2006, section 127A.30, is amended to read:

2.8 **127A.30 PERMANENT SCHOOL FUND ADVISORY COMMITTEE.**

2.9 Subdivision 1. **Membership.** A state Permanent School Fund Advisory Committee  
2.10 is established to advise the Department of Natural Resources on the management of  
2.11 permanent school fund land, which is held in trust for the school districts of the state. The  
2.12 advisory committee must consist of the following persons or their designees: the chairs  
2.13 of the education committees of the legislature, ~~the chairs of the legislative committees~~  
2.14 with jurisdiction over the K-12 education budget, the chairs of the legislative committees  
2.15 with jurisdiction over the environment and natural resources, ~~the chairs chair~~ of the senate  
2.16 Committee on Finance and ~~the chair of the~~ house Committee on Ways and Means, the  
2.17 commissioner of education, one superintendent from a nonmetropolitan district, ~~and~~ one  
2.18 superintendent from a metropolitan area district, ~~one person with an expertise in forestry,~~  
2.19 one person with an expertise in minerals and mining, one person with an expertise in  
2.20 real estate development, one person with an expertise in renewable energy, one person  
2.21 with an expertise in finance and land management, and one person with an expertise in  
2.22 natural resource conservation. The school district superintendents shall be appointed  
2.23 by the commissioner of education. ~~The committee members with areas of expertise in~~  
2.24 forestry, minerals and mining, real estate development, renewable energy, finance and land  
2.25 management, and natural resource conservation shall be appointed by the commissioner of  
2.26 natural resources. Members of the legislature shall be given the opportunity to recommend  
2.27 candidates for vacancies on the committee to the commissioners of education and natural  
2.28 resources. The advisory committee must also include a nonvoting member appointed  
2.29 by the commissioner of natural resources. The commissioner of natural resources shall  
2.30 provide administrative support to the committee. The members of the committee shall  
2.31 serve without compensation. The members of the Permanent School Fund Advisory  
2.32 Committee shall elect their chairperson and are bound by the provisions of sections  
2.33 43A.38 and 116P.09, subdivision 6.

2.34 Subd. 2. **Duties.** The advisory committee shall review the policies of the  
2.35 Department of Natural Resources and current statutes on management of school trust fund

3.1 lands at least ~~semiannually~~ annually and shall recommend necessary changes in statutes,  
3.2 policy, and implementation in order to ensure provident utilization of the permanent  
3.3 school fund lands. By January 15 of each year, the advisory committee shall submit a  
3.4 report to the legislature with recommendations for the management of school trust lands to  
3.5 secure long-term economic return for the permanent school fund, consistent with sections  
3.6 92.121 and 127A.31. The committee's annual report may include recommendations to:  
3.7 (1) manage the school trust lands efficiently;  
3.8 (2) reduce the management expenditures of school trust lands and maximize the  
3.9 revenues deposited in the permanent school trust fund;  
3.10 (3) manage the sale, exchange, and commercial leasing of school trust lands to  
3.11 maximize the revenues deposited in the permanent school trust fund and retain the value  
3.12 from the long-term appreciation of the school trust lands; and  
3.13 (4) manage the school trust lands to maximize the long-term economic return for the  
3.14 permanent school trust fund while maintaining sound natural resource conservation and  
3.15 management principals.  
3.16 Subd. 3. **Duration.** Notwithstanding section 15.059, subdivision 5, the advisory  
3.17 committee is permanent and does not expire.