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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

**EIGHTY-FIFTH  
SESSION**

**HOUSE FILE No. 3292**

February 20, 2008

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

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 84.027, by adding a subdivision; 127A.30.

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

1.7 Section 1. Minnesota Statutes 2006, section 84.027, is amended by adding a  
1.8 subdivision to read:

1.9 Subd. 18. Permanent school fund authority and designee. The commissioner of  
1.10 natural resources has sole authority and responsibility for the administration of permanent  
1.11 school fund lands under sections 92.121 and 127A.31. The commissioner shall annually  
1.12 report to the Permanent School Fund Advisory Committee on ways to maximize the  
1.13 revenue generated from school trust fund lands. The commissioner shall designate a  
1.14 permanent professional staff position whose duty shall be to accelerate land exchanges,  
1.15 land sales, and commercial leasing of school trust lands, and to manage the trust lands  
1.16 to maximize the long-term economic return for the permanent school fund lands. The  
1.17 permanent professional staff position shall also be responsible for serving as a nonvoting  
1.18 member of the Permanent School Fund Advisory Committee.

1.19 Sec. 2. Minnesota Statutes 2006, section 127A.30, is amended to read:

1.20 **127A.30 PERMANENT SCHOOL FUND ADVISORY COMMITTEE.**

1.21 A state Permanent School Fund Advisory Committee is established to advise the  
1.22 Department of Natural Resources on the management of permanent school fund land,  
1.23 which is held in trust for the school districts of the state. The advisory committee must

2.1 consist of the following persons or their designees: the chairs of the education committees  
2.2 of the legislature, the chairs of the K-12 education budget divisions of the legislature,  
2.3 the chairs of the environment and natural resources committees of the legislature, the  
2.4 chairs of the senate Committee on Finance and house Committee on Ways and Means, the  
2.5 commissioner of education, one superintendent from a nonmetropolitan district, ~~and~~ one  
2.6 superintendent from a metropolitan area district, one person with an expertise in forestry,  
2.7 one person with an expertise in minerals and mining, one person with an expertise in real  
2.8 estate development, one person with an expertise in renewable energy, and one person  
2.9 with an expertise in finance and land management. The school district superintendents  
2.10 shall be appointed by the commissioner of education. The committee members with areas  
2.11 of expertise in forestry, minerals and mining, real estate development, renewable energy,  
2.12 and finance and land management shall be appointed by the commissioner of natural  
2.13 resources. Members of the legislature shall be given the opportunity to recommend names  
2.14 of individuals to the commissioners of education and natural resources to fill vacancies on  
2.15 the committee. The advisory committee must also include a nonvoting professional staff  
2.16 person appointed by the commissioner of natural resources, according to section 84.027,  
2.17 subdivision 18. This nonvoting member shall provide the committee with professional  
2.18 advice and technical support on issues of permanent school fund land management. The  
2.19 chair of the committee shall be elected by the members of the Permanent School Fund  
2.20 Advisory Committee.

2.21 The advisory committee shall review the policies of the Department of Natural  
2.22 Resources and current statutes on management of school trust fund lands at least  
2.23 ~~semiannually~~ annually and shall recommend necessary changes in statutes, policy, and  
2.24 implementation in order to ensure provident utilization of the permanent school fund  
2.25 lands. The advisory committee shall on January 15, 2009, and each year thereafter, submit  
2.26 a report and draft legislation to the legislature for the management of school trust lands to  
2.27 secure long-term economic return for the permanent school fund, consistent with sections  
2.28 92.121 and 127A.31. The committee's annual report shall make recommendations to:

2.29 (1) improve the efficiency of the Department of Natural Resources management of  
2.30 school trust fund lands;

2.31 (2) reduce expenditures that are used to manage school trust fund lands and  
2.32 maximize the revenues deposited in the permanent school trust fund;

2.33 (3) accelerate land exchanges, land sales, and commercial leasing of school trust  
2.34 lands; and

2.35 (4) manage the school trust lands to maximize the long-term economic return for  
2.36 the permanent school trust fund.

- 3.1 The nonvoting member of the advisory committee shall work with the committee to
- 3.2 prepare the annual report.