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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE NO. 780

February 12, 2009

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to education finance; prohibiting the payment of management costs from
1.3 permanent school trust fund land proceeds; appropriating money; amending
1.4 Minnesota Statutes 2008, sections 16A.125, subdivision 5; 93.22, subdivision 1;
1.5 93.2236.

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

1.7 Section 1. Minnesota Statutes 2008, section 16A.125, subdivision 5, is amended to
1.8 read:

1.9 Subd. 5. **Forest trust lands.** (a) The term "state forest trust fund lands" as used in
1.10 this subdivision, means public land in trust under the Constitution, excluding permanent
1.11 school trust fund lands, set apart as "forest lands under the authority of the commissioner"
1.12 of natural resources as defined by section 89.001, subdivision 13.

1.13 (b) The commissioner of finance shall credit the revenue from the forest trust fund
1.14 lands to the forest suspense account. The account must specify the trust funds interested in
1.15 the lands and the respective receipts of the lands.

1.16 (c) After a fiscal year, the commissioner of finance shall certify the total costs
1.17 incurred for forestry during that year under appropriations for the protection, improvement,
1.18 administration, and management of state forest trust fund lands and construction and
1.19 improvement of forest roads to enhance the forest value of the lands. The certificate must
1.20 specify the trust funds interested in the lands. The commissioner of natural resources shall
1.21 supply the commissioner of finance with the information needed for the certificate.

1.22 (d) After a fiscal year, the commissioner shall distribute the receipts credited to the
1.23 suspense account during that fiscal year as follows:

2.1 (1) the amount of the certified costs incurred by the state for forest management,
2.2 forest improvement, and road improvement during the fiscal year shall be transferred to
2.3 the forest management investment account established under section 89.039;

2.4 (2) the balance of the certified costs incurred by the state during the fiscal year
2.5 shall be transferred to the general fund; and

2.6 (3) the balance of the receipts shall then be returned prorated to the trust funds in
2.7 proportion to their respective interests in the lands which produced the receipts.

2.8 (e) The commissioner of natural resources must provide the same levels of
2.9 protection, improvement, administration, and management of permanent school trust fund
2.10 lands as it provides for the other lands included in this subdivision.

2.11 **EFFECTIVE DATE.** This section is effective July 1, 2010.

2.12 Sec. 2. Minnesota Statutes 2008, section 93.22, subdivision 1, is amended to read:

2.13 Subdivision 1. **Generally.** (a) All payments under sections 93.14 to 93.285 shall
2.14 be made to the Department of Natural Resources and shall be credited according to this
2.15 section.

2.16 (b) Twenty percent of all payments, except for those payments received for
2.17 permanent school trust fund lands, under sections 93.14 to 93.285 shall be credited to the
2.18 minerals management account in the natural resources fund as costs for the administration
2.19 and management of state mineral resources by the commissioner of natural resources.

2.20 (c) The remainder of the payments shall be credited as follows:

2.21 (1) if the lands or minerals and mineral rights covered by a lease are held by the state
2.22 by virtue of an act of Congress, payments made under the lease shall be credited to the
2.23 permanent fund of the class of land to which the leased premises belong;

2.24 (2) if a lease covers the bed of navigable waters, payments made under the lease
2.25 shall be credited to the permanent school fund of the state;

2.26 (3) if the lands or minerals and mineral rights covered by a lease are held by the state
2.27 in trust for the taxing districts, payments made under the lease shall be distributed annually
2.28 on the first day of September to the respective counties in which the lands lie, to be
2.29 apportioned among the taxing districts interested therein as follows: county, three-ninths;
2.30 town or city, two-ninths; and school district, four-ninths;

2.31 (4) if the lands or mineral rights covered by a lease became the absolute property of
2.32 the state under the provisions of chapter 84A, payments made under the lease shall be
2.33 distributed as follows: county containing the land from which the income was derived,
2.34 five-eighths; and general fund of the state, three-eighths; and

3.1 (5) except as provided under this section and except where the disposition of
 3.2 payments may be otherwise directed by law, payments made under a lease shall be paid
 3.3 into the general fund of the state.

3.4 **EFFECTIVE DATE.** This section is effective July 1, 2010.

3.5 Sec. 3. Minnesota Statutes 2008, section 93.2236, is amended to read:

3.6 **93.2236 MINERALS MANAGEMENT ACCOUNT.**

3.7 (a) The minerals management account is created as an account in the natural
 3.8 resources fund. Interest earned on money in the account accrues to the account. Money in
 3.9 the account may be spent or distributed only as provided in paragraphs (b) and (c).

3.10 (b) If the balance in the minerals management account exceeds \$3,000,000 on June
 3.11 30, the amount exceeding \$3,000,000 must be distributed to the ~~permanent school fund~~
 3.12 ~~and the permanent university fund. The amount distributed to each fund must be in the~~
 3.13 ~~same proportion as the total mineral lease revenue received in the previous biennium~~
 3.14 ~~from school trust lands and university lands.~~

3.15 (c) Subject to appropriation by the legislature, money in the minerals management
 3.16 account may be spent by the commissioner of natural resources for mineral resource
 3.17 management and projects to enhance future mineral income and promote new mineral
 3.18 resource opportunities.

3.19 **EFFECTIVE DATE.** This section is effective July 1, 2011.

3.20 Sec. 4. **APPROPRIATIONS.**

3.21 Subdivision 1. **Forestry.** \$..... is appropriated in fiscal year 2011 from the general
 3.22 fund to the commissioner of natural resources for the forest management activities
 3.23 required under Minnesota Statutes, section 16A.125, subdivision 5.

3.24 Subd. 2. **Minerals.** \$..... is appropriated in fiscal year 2011 from the general
 3.25 fund to the commissioner of natural resources for the minerals management activities for
 3.26 permanent school trust fund lands.