

# School Trust Lands

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# Status Update of 2011 Legislative Proposals

- **HF206 – Modifies PSFAC Membership**
  - Passed House.
- **HF934 – Education Finance Bill**
  - Passed, but vetoed.
  - HF 785 language included in HF 934. HF 785 clarifies how investment income earned by the PSF is calculated.
  - HF 207 was included in previous versions, but was not included in the passed version of HF 934. HF 207 would require mineral management costs for school trust lands to come from the general fund.

# Status Update of 2011 Legislative Proposals

- **SF 1115 – DNR Technical Bill**
  - Passed and signed into law. Laws of Minnesota 2011, Chapter 107.
  - Sec. 46. Amends 89.17, which is the authority for real estate leases on forestry lands, to provide that:  
(c) Notwithstanding section 16A.125, subdivision 5, after deducting the reasonable costs incurred for preparing and issuing the lease, all remaining proceeds from the leasing of school trust land and university land for roads on forest lands must be deposited into the respective permanent fund for the lands.

# Status Update of 2011 Legislative Proposals

- **SF 1115 – DNR Technical Bill (cont'd)**
  - **Sec. 104. CAMP FIVE TOWNSHIP EASEMENT LEASE.**
    - (a) By September 1, 2011, the commissioner of natural resources shall grant to the local township a road easement across state land administered by the commissioner in Sections 16 and 21, Township 66 N, Range 19 W, St. Louis County.
    - (b) Provided, however, if the local township will not accept the above-described easement, the commissioner of natural resources shall grant at fair market value to the lessee of former State Lease No. 144-012-0425, a 20-year road lease across state land administered by the commissioner in Sections 16 and 21, Township 66 N, Range 19 W, St. Louis County.
    - (c) Notwithstanding Minnesota Statutes, section 16A.125, subdivision 5, the market value fee for the school lands must be deposited into the permanent school fund.

# Status Update of 2011 Legislative Proposals

- **HF 55 – DNR Lands Bill**

- Passed and signed into law. Laws of Minnesota 2011, Chapter 3.

- Sec. 5. Minnesota Statutes 2010, section 94.342, is amended by adding a subdivision to read:

Subd. 7. **Exception for riparian land in Boundary Waters Canoe Area Wilderness.** Notwithstanding subdivision 3, any state-owned riparian land within the Boundary Waters Canoe Area Wilderness may be given in exchange for nonriparian land outside the Boundary Waters Canoe Area Wilderness.

## 2010 Legislation - BWCAW

- **86,000 acres of school trust lands are in the BWCAW and unable to generate revenue.**
- **The 2010 Legislature passed a resolution memorializing Congress and the Secretary of Agriculture to appropriate money and negotiate with State on sale and exchange of school trust lands within BWCAW. Resolution supports a hybrid model of both sale and exchange.**

• [Laws of 2010, Resolution 1](#)

# BWCAW Exchange Work Group

- The Sale & Exchange and BWCAW Subcommittee of the PSFAC recommended the formation of a work group of potential stakeholders to work on the selection of exchange parcels.
- The work group met to begin the discussion of the selection of exchange parcels.
- For a few months the DNR and USFS worked to achieve a list of lands acceptable as candidates for exchange.

# BWCAW Exchange Work Group

- DNR staff in Forestry and Lands and Minerals divisions worked in collaboration to review in excess of 100,000 acres of USFS lands.
- The DNR and USFS have agreed on over 41,000 acres as candidates for exchange.
- The work group met on May 11<sup>th</sup> to discuss the selected parcels and to discuss next steps. The next meeting is scheduled for July 12<sup>th</sup>.
- The selection of over 41,000 acres is a big step in the right direction, but a lot of work is still needed to complete the exchange and sale.

# May 11<sup>th</sup> Work Group Meeting

- Updated group on DNR and USFS progress
- Reviewed Map
  - No major concerns expressed regarding the selected parcels
  - Some additional information was requested (ie. timber inventory and selected management areas)
- Discussion about next steps and timeframe
  - Environmental Review
  - Appraisals
  - Timeframe

# May 11<sup>th</sup> Work Group Meeting

- **Next Steps:**

- 1) Add layer of environmentally sensitive management areas (ie. SNA, RNA, Wild and Scenic River Areas, etc.) to the map and distribute to work group.
- 2) Provide available forest inventory information for the 41,000 acres outside the BWCAW and the school trust acres inside the BWCAW to the work group.
- 3) USFS – Provide work group with parcel selection criteria.
- 4) DNR – Provide work group with parcel selection criteria.

# May 11<sup>th</sup> Work Group Meeting

- **Next Steps (cont'd):**

- 5) USFS – Create an exhaustive detailed list of steps (eg. feasibility study, NEPA, legislation, funding, appraisals, title review, etc.) and timeline to complete the exchange and sale.
- 6) DNR – Create an exhaustive detailed list of steps (eg. legislation, funding, appraisals, title review, etc.) and timeline to complete the exchange and sale.

Thank you..

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