

MINNESOTA STATUTES AND SESSION LAWS

The following is a list Minnesota Statutes and Sessions Laws that are applicable to school trust lands.

Minnesota Statutes, sections:

- **1.0451**

This statute focuses on the state's rights to the lands and waters within the BWCAW. The law also explains how the State gained ownership to the school trust lands from the federal government.

- **11A.16**

This statute explains how the permanent school fund is to be managed. The permanent school fund is to be managed by the commissioner of finance and invested by the State Board of Investment. The statute also explains the calculation and disposition of income from the Permanent School Fund.

- **16A.06, subd. 11**

This statute requires that the commissioner of finance biannually report to the Permanent School Fund Advisory Committee and the legislature on the management of the Permanent School Fund.

- **16A.125**

This statute explains how revenue and costs from the state forest trust lands are managed. Revenue from the forest trust fund lands is deposited into the Forest Suspense Account. The costs for managing trust lands are certified by the Department of Finance. Allowable costs are for protection, improvement, administration, and management of forest lands; and for construction and maintenance of forest roads. The general fund is reimbursed for protection and administration costs. The Forest Management Investment Account is reimbursed for improvements, management, and forest roads. The balance is deposited into the Permanent School Fund.

- **84.027, subd. 18**

This statute provides that the commissioner of natural resources has the responsibility of administering the school trust lands. This statute requires the commissioner of natural resources to biannually report to the Permanent School

Fund Advisory Committee and the legislature. This statute specifies goals for management of the lands.

- **84.085, subd. 1(d)**

This statute allows the commissioner of natural resources to accept for and on behalf of the Permanent School Fund a donation of lands, interest in lands, or improvements on lands.

- **92.025**

This statute defines school trust land:

“School trust land” means land granted by the United States for use of schools within each township, swampland granted to the state, and internal improvement land that are reserved for permanent school fund purposes under the Minnesota Constitution, article XI, section 8, and land exchanged, purchased, or granted to the Permanent School Fund.

- **92.03, subd. 1**

This statute sets the minimum sale price for school trust lands at \$5 an acre, including the value of timber reproduction. No more than 100,000 acres of school trust lands may be sold in one year.

- **92.12**

This statute explains the valuation and appraisal requirements for offering trust lands for sale. Also, it requires the commissioner of natural resources to hold frequent sales of school trust and other state lands.

- **92.121**

This statute requires the commissioner of natural resources to exchange school trust lands when management practices diminish or prohibit revenue and no alternative has been put into effect to compensate the Permanent School Fund for income losses. The focus of exchanges is on school trust lands within state parks, state recreation areas, wildlife management areas, scientific and natural areas, or state waysides or on lands managed by the commissioner as old growth stands.

- **92.13**

This statute requires the Commissioner of Natural Resources to hold public sales of school and other state lands when it is advantageous to the state and to intending buyers and settlers.

- **92.145**

This statute states that school trust lands cannot be sold over-the-counter after a public auction if the lands were not bought at public auction.

- **92.46**

This statute pertains to lakeshore lease lots on school trust lands. This provides that no new leases may be issued for state lands bordering on or adjacent to meandered lakes and other public waters for cottage or camp purposes. For leases on school trust lands, in fiscal years 1999 and 2000 100%, and thereafter, 50% of the revenues from lakeshore lease lots shall be deposited in the lakeshore leasing and sales account of the permanent school fund the remaining 50% is deposited in the permanent school fund. The costs of survey, appraisal, and associated costs of selling, leasing, or exchange shall be paid for out of this account and the remainder is to be deposited in the Permanent School Fund.

- **93.22**

Twenty percent of income generated from mineral leases on state-owned lands is directed to the Minerals Management Account; the remainder is distributed as directed by law. (For school lands, 80% of the mineral lease revenue goes to the corpus of the Permanent School Fund.)

- **93.2236**

When the Minerals Management Account exceeds \$3 million at the end of a fiscal year, the amount exceeding \$3 million is distributed to the school and university trust funds in the same proportion as total mineral lease revenue received in the previous biennium from school and university lands. Money in the minerals management account is appropriated by the legislature to the commissioner of natural resources for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities.

- **94.342, subd. 5**

When school trust land is being exchanged with other state land under the control of the commissioner of natural resources, the Permanent School Fund Advisory Committee must be appointed as temporary trustee for the exchange. The Committee is provided with independent legal counsel to review the exchange.

- **126C.21, subd. 1 (repealed)**

The amount of money received by a district from the permanent school fund is reduced from the general education aid earned by the district for the same year. This deduction is repealed for fiscal year 2010 and later. (Laws of 2008, Chapter 363, Art. 2, Sec. 52 (a))

- **127A.30**

This statute establishes the Permanent School Fund Advisory Committee to advise the DNR on the management of the school trust lands. This statute also provides who the members of the Committee are and how the chair of the Committee is elected. The members of the Committee shall not be compensated.

This statute requires the Committee to review the policies of the DNR and statutes related to the school trust fund lands and at least annually recommend necessary changes to the same. The Committee is required to submit a report to the legislature by January 15th of each year. The report may include recommendations on how the school trust lands can be managed more efficiently, by reducing expenditures and maximizing revenue for the school trust. The report may also include ways to better manage the school trust lands to maximize long-term economic return while maintaining sound natural resource conservation and management principles.

- **127A.31**

This statute states the goal of the Permanent School Fund is to: “secure the maximum long-term economic return from the school trust lands consistent with the fiduciary responsibilities imposed by the trust relationship established in the Minnesota Constitution, with sound natural resource conservation and management principles, and with other specific policy provided in state law.”

- **127A.32**

This statute establishes a school endowment fund that consists of income from the permanent school fund. The commissioner of education is allowed to accept gifts of cash or marketable securities for the permanent school fund.

- **127A.33**

This statute provides that the commissioner of education shall apportion the school endowment fund semiannually in proportion to the number of pupils in average daily membership in each school district during the preceding year.

- **473.666**

This statute allows the State Board of Investment to purchase bonds for the Permanent School Fund.

- **477A.12**

This statute pertains to payment-in-lieu of taxes (PILT) payments on DNR administered lands. Subd. 1(a)(4) is the provision that applies to school trust lands.

Session Laws:

- **Laws of Minnesota 2009, Chapter 176, Article 3, Section 12**

This law required the DNR to enter into a state land lease on school trust lands with Mountain Iron Economic Development Authority for installation of up to four wind turbines and access roads by August 30, 2009.

- **Laws of Minnesota 2009, Chapter 176, Article 3, Section 13**

This law required the commissioner of natural resources to grant easements across state land administered by the commissioner to private landowners on Bass Bay on the north shore of Lake Vermilion to access Mud Creek Road (County Highway 408). This easement will cross school trust lands. Any landowner granted an easement under this law is required to grant a reciprocal easement to the state.

- **Laws of Minnesota 1997, Chapter 216, Section 151; Laws of Minnesota 2003, First Special Session, Chapter 9, Article 1, Section 52; Laws of Minnesota 2004, Chapter 262, Article 2, Section 9**

All of these laws pertain to lakeshore lease lots on Horseshoe Bay in Cook County. All of the lakeshore lease lots on Horseshoe Bay are on school trust lands. These laws, along with Minnesota Statutes, section 92.46 (see above), place obligations and restrictions on the DNR's management of school trust lands by requiring that the property be leased, setting the rental rate at 2% of appraised value as of 2003 for the life of the leases (adjusted for inflation), allowing transfers to two persons within the second degree of kindred, setting the term of the lease at the lifetime of the lessee or transferee, and requiring the purchase of improvements upon termination from the revenues received.