

HOUSE RESEARCH

Bill Summary

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Overview

This bill makes a number changes related to school trust lands, including allowing for the expedited exchange of school trust lands and appropriating money to initiate the sale of certain school trust lands.

Section

- 1 Minerals management account.** Amends § 93.2236. Requires the balance in the minerals management account above \$3,000,000 to be transferred to the permanent school fund quarterly rather than annually. The minerals management account receives revenues from state mineral leases and the amount above \$3,000,000 is distributed to the permanent school fund (for school trust lands), the permanent university fund (for university lands), and to other taxing districts in proportion to the revenues raised by the respective lands in the last biennium.
- 2 Classes of land; definitions.** Amends § 94.3495, subd. 2. Modifies the definition of “class 1 land” and defines “school trust land” and “university land” in order to remove the prohibition on exchanging school trust lands and university lands using the expedited land exchange process.
- 3 Valuation of land.** Amends § 94.3495. Requires the county to approve the value determined by the DNR for purposes of exchanging DNR lands for tax-forfeited lands, and the “governmental subdivision” to approve the value when exchanging DNR lands for lands administered by other government subdivisions of the state (ex. other state agencies) for purposes of the expedited exchange process. Modifies the methods that can be used for valuing lands. Requires school trust lands and university lands exchanged under the expedited exchange process to be exchanged only for lands of equal or greater value unlike

Section

lands currently eligible for the expedited exchange process that must be exchanged for “substantially equal value” (the lands do not differ in value by more than 10 percent when the lands are both over 100 acres and 20 percent in other circumstances).

- 4** **Mineral and water power rights and other reservations.** Amends § 94.3495, subd. 7. Removes a requirement that deeds conveying land under the expedited land exchange process include a reverter that would require the land to revert back to the conveying government unit if the receiving government unit sells, exchanges, or otherwise transfers title of the land within 40 years without prior written approval from the conveying government unit.

- 5** **Appropriation.** Provides \$500,000 from the general fund in fiscal year 2017 to the school trust lands director to initiate the private sale of certain surplus school trust lands within the Boundary Waters Canoe Area Wilderness.