

Subject School Trust Lands

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Overview

This bill would modify provisions established in 2012 that required the permanent school fund to be compensated for policies and designations that prohibit school trust lands from providing long-term economic returns. The new provisions include allowing the Department of Natural Resources to lease school trust lands to compensate the permanent school fund.

The permanent school fund consists of the proceeds of the lands granted to the state by the federal government for the use of schools, proceeds from swamp lands granted to the state, and cash and investments credited to the fund. The DNR is responsible for managing about 2.5 million acres of school trust land. The net proceeds from the land management activities (timber sales, minerals activities, lease revenue, etc.) annually are added to the principal of the permanent school fund. The interest and dividends arising from the fund are required by the Constitution to be distributed to the state's school districts according to a method provided in statute.

Summary

Section	Description
1	<p>Permanent school fund authority; reporting.</p> <p>Modifies a provision requiring that the permanent school fund to be compensated by expanding the requirement to all policies and designations (not just future ones) that prohibit long-term economic return, requiring compensation when long-term economic return is diminished. It would also require compensation when management practices diminish or prohibit long-term economic return.</p>
2	<p>Permanent school fund lands.</p> <p>Requires the permanent school fund to be compensated when revenue generation of school trust lands are diminished by management practices or prohibited by policy or designations. States that to compensate the land, the DNR may exchange the lands for other lands; lease/provide rental payments, or condemn the land with payment going to the fund. Under current law, the DNR may use condemnation or do exchanges.</p>

Section	Description
3	Lease terms. Allows the DNR to lease DNR administered lands for purposes of compensating the permanent school fund as provided under the previous section.



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