

# Bill Comparison Summary of House File 2244, Fourth Engrossment/House File 2244, Second Unofficial Engrossment

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Section	H2244-4		UEH2244-2
		No comparable provision	<b>Section 1. Advisor salary.</b> Establishes the maximum salary for the school trust lands advisor that is created in this bill.
1	<b>Permanent school fund reporting.</b> Changes the name of the entity receiving the annual report on the status of the permanent school fund to the Permanent School Fund Board created in the bill.	Different: House has new board, Senate has new commission	<b>Section 2. Permanent school fund reporting.</b> Changes the name of the entity receiving the permanent school fund report to the Legislative-Citizen Permanent School Fund Commissioner (LCPSFC) that is created in this bill to replace the Permanent School Fund Advisory Committee (PSFAC).
2	<b>Forest trust lands.</b> Excludes school trust lands from the forest lands used when calculating and certifying forest management costs.	Different: House excludes school trust lands from forest management cost certification; Senate excludes forest protection costs against PSF and requires presentation and analysis	<b>Section 3. Forest trust lands.</b> Provides that forest protection costs will not be certified against the permanent school fund and that before any costs are certified they must be presented to the new LCPSFC. This section also requires the certification report to include a comparison with other public and private forest lands.
3	<b>Permanent school fund authority; reporting.</b> Changes the authority over and reporting responsibility for school trust lands from the DNR to the Permanent School Fund Board beginning July 1, 2014.	Different: House gives administration authority for school trust lands to new board beginning July 1, 2014; Senate requires DNR to maximize long-term economic return from school trust lands, resolution when conflicts arise, and reporting	<b>Section 4. Permanent school fund authority; reporting.</b> Directs the DNR to choose maximizing the long-term revenue when the goals for school trust lands are in conflict. If the DNR does not compensate the trust for designations or policies that prohibit the maximization of long-term revenue by July 1, 2016, the designations or policy provisions are removed. The first 2013 report on school trust lands must include an inventory and identification of all school trust lands under a designation or policy provision that prohibits the long-term maximization of revenue to the permanent school fund.
4	<b>Authority.</b> In combination with new language in section 15, shifts the authority to accept gifts on behalf of the permanent school fund land from the DNR commissioner to the Permanent School Fund Board.	No comparable provision	
5	<b>Appraisers.</b> Authorizes the board to have school trust lands appraised.	No comparable provision	
6	<b>Permanent school fund lands.</b> Adds the board to the parties involved in state land exchanges.	No comparable provision	
7	<b>State lands, date of sale.</b> Clarifies that once duties are transferred to the board, the ability of the commissioner of DNR to sell public lands does not apply to school trust fund lands.	No comparable provision	

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8	<b>Minerals management account.</b> Eliminates contributions from school trust lands to the minerals management account beginning July 1, 2014.	No comparable provision	
9	<b>Additional restrictions on school trust land.</b> Substitutes the board for the DNR when school trust fund lands are exchanged.	Different: House has new board, Senate has new commission	<b>Section 5. Additional restrictions on school trust land.</b> Changes the name of the entity who acts as a temporary trustee for school trust land exchanges to the LCPSFC that is created in this bill to replace the PSFAC.
10	<p><b>Legislative Permanent School Fund Commission. Subd. 1.</b> Replaces the Permanent School Fund Advisory Committee (PSFAC) with a Legislative Permanent School Fund Commission established in the legislative branch. Places 12 members on the commission including six senators (three from each party) and six house members, three majority members appointed by the speaker of the house and three minority party members appointed by the house minority leader. Requires the LCC to provide staffing for the commission.</p> <p><b>Subd. 2.</b> Requires the commission to advise the new Permanent School Fund Board on management of permanent school fund land, to review legislation affecting permanent school fund land, to annually review statutes and recommend any changes necessary for provident utilization of school trust fund lands, and to report annually to the legislature with recommendations for management of school trust fund lands to secure long-term economic return for the permanent school fund.</p>	Different: House changes PSFAC to a legislative commission with 12 legislative members staffed by the LCC; Senate changes PSFAC to a legislative-citizen commission with 16 members staffed by a new school trust lands advisor	<p><b>Section 6. Legislative-Citizen Permanent School Fund Commission. Subdivision 1.</b> Creates the new Legislative-Citizen Permanent School Fund Commission (LCPSFC) in the legislative branch to replace the Permanent School Fund Advisory Committee (PSFAC). The commission will consist of 16 members: two public members appointed by the Senate; two public members appointed by the House; four public members appointed by the Governor; four members of Senate, including one from the minority party; and four members of House, including one from the minority party.</p> <p><b>Subdivision 2.</b> Transfers the current duties of the school PSFAC to the new LCPSFC and allows the new commission to recommend the asset allocation of the school trust.</p> <p><b>Subdivision 4.</b> Prohibits members from advocating, voting, or other action that would be a conflict of interest; and defines a conflict of interest.</p> <p><b>Subdivision 5.</b> Provides that meetings of the new commission are subject to the legislative open meeting law.</p>
11	<b>Policy and purpose.</b> States that the policy and purpose of the sections creating the Permanent School Fund Board is to oversee, manage, and administer Minnesota’s school trust lands in accordance with the Minnesota Constitution. Requires the trustee to manage lands and revenue in the most prudent and profitable manner possible balancing short- and long-term interests.	No comparable provision	
12	<b>Definitions.</b> Defines board, director, and school trust lands.	No comparable provision	

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13	<b>Permanent School Fund Board.</b> Creates a five-member Permanent School Fund Board. Requires the governor to appoint members, with the advice and consent of both the house and the senate, acting separately. Specifies conditions under which appointments terminate due to legislative inaction or rejection. Provides qualifications and terms, compensation, and removal of members. Provides conflict of interest policies. Forbids transfer of duties of the board.	No comparable provision	
14	<b>Duties.</b> Requires the board to manage all school trust fund lands and to provide policies for the director. Authorizes the board to enter into an agreement with the Commissioner of Natural Resources for administration and management of land. Provides that the agreement must specify what services DNR will provide and fees the DNR will charge for providing these services. Authorizes the board to move these services to another agency or an outside entity. Authorizes the board to enter into joint ventures to develop trust lands and minerals.	No comparable provision	
15	<p><b>Policies. Subd. 1.</b> Requires the board to establish policies for the director. Requires the policies to be consistent with the Minnesota Constitution and state law, reflect the undivided loyalty to the beneficiaries, require the return of not less than fair market value for the use, sale, or exchange of school trust assets, optimize revenue, and maintain the integrity of the trust.</p> <p><b>Subd. 2.</b> Requires the board and the director to recommend changes in law relating to the trust, and to develop policies for long-term benefit of the trust.</p> <p><b>Subd. 3.</b> Provides that DNR policies remain in effect until amended or repealed by the Board.</p> <p><b>Subd. 4.</b> Authorizes the Board to accept donation of land or interests in land.</p>	Different: House requires the new board to establish policies, provide statutory change recommendations, and allows the board to accept land on behalf of the permanent school fund; Senate requires the commission to provide recommendations on school trust lands	<p><b>Section 7. Policies. Subdivision 1.</b> Directs the LCPSFC to recommend policies to the school trust lands advisor and the Department of Natural Resources that: are consistent with the Minnesota Constitution; reflect undivided loyalty to the beneficiaries; require fair market value for the school trust lands; optimize school trust land revenue and values; and maintain the integrity of the school trust.</p> <p><b>Subdivision 2.</b> Provides for the school trust lands advisor and the Department of Natural Resources to recommend to the Governor and Legislature any necessary or desirable changes in law.</p>
16	<b>Director. Subd. 1.</b> Requires the board to select the director	Different: House requires board to select the director and establish compensation; Senate requires the advisor to be	<b>Section 8. School trust lands advisor. Subdivision 1.</b> Provides that the school trust lands advisor is appointed by

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	<p>and set the director's compensation.</p> <p><b>Subd. 2.</b> Requires the board to establish the compensation for the director.</p>	<p>appointed by the governor with advice and consent of the Senate, specifies qualifications, establishes compensation for the advisor under chapter 15A and certifies the costs of the advisor against the permanent school fund</p>	<p>the governor. The commissioner of management and budget shall provide space and administrative services to the director. The advisor is subject to the advice and consent of the Senate.</p> <p><b>Subdivision 2.</b> Provides for the qualifications of the school trust lands advisor.</p> <p><b>Subdivision 3.</b> Places compensation for the advisor under chapter 15A – public officers compensation.</p> <p><b>Subdivision 5.</b> Provides that the costs of the school trust lands advisor and the LCPSFC shall be certified against the school trust lands.</p>
17	<p><b>Responsibilities of director.</b> Lists the responsibilities of the director. Explicitly allows the director to contract with public or private entities for personnel management services.</p>	<p>Different: House requires director to take on various responsibilities in carrying out the policies of the board and contract with public/private entities for services; Senate requires the advisor to advise the governor, legislature, and commission on school trust land management</p>	<p><b>Section 8. School trust lands advisor. Subdivision 4.</b> Provides that the advisor shall advise the governor, legislature, and the new LCPSFC on managing school trust lands.</p>
18	<p><b>Attorney general.</b> Requires the attorney general to represent the board, director, or administration in any legal action regarding school trust lands.</p>	<p>No comparable provision</p>	
19	<p><b>Land exchange.</b> Authorizes the board to enter into land exchanges.</p>	<p>No comparable provision</p>	
20	<p><b>Forest and minerals management.</b> Vests all forest and minerals management with the board.</p>	<p>No comparable provision</p>	
21	<p><b>School trust lands suspense account.</b> Establishes a school trust lands suspense account. Places all annual revenue from the school trust lands in the suspense account. Pays administrative and management costs out of the fund and moves the rest of the annual proceeds to the permanent school fund.</p>	<p>No comparable provision</p>	
22	<p><b>Audit by legislative auditor.</b> Requires the legislative auditor, beginning in 2019, to conduct a financial and program audit of the Permanent School Fund Board.</p>	<p>No comparable provision</p>	

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23	<b>Board.</b> Defines “board” as the Permanent School Fund Board for purposes of payment-in-lieu of taxes (PILT) provisions.	No comparable provision	
24	<b>Acquired natural resources land.</b> Maintains the PILT liability for any acquired lands classified as school trust lands following the transfer of authority over the lands to the board.	No comparable provision	
25	<b>Other natural resources land.</b> Maintains the PILT liability for school trust lands following the transfer of authority over the lands to the board.	No comparable provision	
26	<b>Types of land; payments.</b> Technical related to PILT provisions.	No comparable provision	
27	<b>Procedure.</b> Requires the board to certify to the commissioner of revenue the total number of acres and the appraised value of the school trust lands by March 1, for purposes of the PILT payments (this is similar to the process currently followed by the DNR for these purposes).	No comparable provision	
28	<b>Determination of appraised value.</b> Technical related to PILT provisions.	No comparable provision	
29	<b>Transfer of assets and budget responsibility.</b> Transfers responsibilities with respect to the permanent school fund from the DNR and other state agencies to the Permanent School Fund Board.	No comparable provision	
30	<b>Report.</b> Requires the board to meet with DNR to discuss potential service agreements and fees the DNR will charge for these services and submit a report to the legislature by January 15, 2014.	No comparable provision	
31	<b>Revisor’s instruction.</b> Instructs the revisor of statutes to recodify section 84.027, subdivision 18 (permanent school fund authority and reporting). Requires the revisor, in consultation with DNR, to identify and report to the legislature by January 15, 2013, statutes relating to the transfer of functions contained in the bill.	No comparable provision	