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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1622

02/25/2021

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The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy

1.1 A bill for an act  
1.2 relating to state lands; providing for conveying conservation easements; amending  
1.3 Minnesota Statutes 2020, section 127A.353, subdivision 4; proposing coding for  
1.4 new law in Minnesota Statutes, chapters 84; 92.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. [84.625] CONVEYANCE OF CONSERVATION EASEMENTS.

1.7 Notwithstanding any law to the contrary, the commissioner of natural resources may,  
1.8 on state-owned lands administered by the commissioner and on behalf of the state, convey  
1.9 conservation easements as defined in section 84C.01, upon such terms and conditions,  
1.10 including reversion in the event of nonuse, as the commissioner may determine. Any terms  
1.11 and conditions obligating the state to incur costs related to monitoring or maintaining a  
1.12 conservation easement must acknowledge the state is liable for the costs only to the extent  
1.13 of an available appropriation according to section 16A.138.

1.14 Sec. 2. [92.503] CONSERVATION PLANNING LEASES.

1.15 The commissioner of natural resources may lease state-owned lands as defined in section  
1.16 92.01 for a term not to exceed 21 years for the purpose of investigating, analyzing, and  
1.17 developing conservation easements that provide ecosystem services benefits. Leases granted  
1.18 under this section are not subject to section 92.50, subdivision 1, paragraph (b), with respect  
1.19 to Executive Council approval for commercial leases or section 92.50, subdivision 1,  
1.20 paragraph (d).

2.1 Sec. 3. Minnesota Statutes 2020, section 127A.353, subdivision 4, is amended to read:

2.2 Subd. 4. **Duties; powers.** (a) The school trust lands director shall:

2.3 (1) take an oath of office before assuming any duties as the director;

2.4 (2) evaluate the school trust land asset position;

2.5 (3) determine the estimated current and potential market value of school trust lands;

2.6 (4) advise the governor, Executive Council, commissioner of natural resources, and the  
2.7 Legislative Permanent School Fund Commission on the management of school trust lands,  
2.8 including:

2.9 (i) Department of Natural Resources school trust land management plans;

2.10 (ii) leases of school trust lands;

2.11 (iii) royalty agreements on school trust lands;

2.12 (iv) land sales and exchanges;

2.13 (v) cost certification; and

2.14 (vi) revenue generating options;

2.15 (5) propose to the Legislative Permanent School Fund Commission legislative changes  
2.16 that will improve the asset allocation of the school trust lands;

2.17 (6) develop a ten-year strategic plan and a 25-year framework for management of school  
2.18 trust lands, in conjunction with the commissioner of natural resources, that is updated every  
2.19 five years and implemented by the commissioner, with goals to:

2.20 (i) retain core real estate assets;

2.21 (ii) increase the value of the real estate assets and the cash flow from those assets;

2.22 (iii) rebalance the portfolio in assets with high performance potential and the strategic  
2.23 disposal of selected assets;

2.24 (iv) establish priorities for management actions; ~~and~~

2.25 (v) balance revenue enhancement and resource stewardship; and

2.26 (vi) advance strategies on school trust lands to capitalize on ecosystem services markets;

2.27 (7) submit to the Legislative Permanent School Fund Commission for review an annual  
2.28 budget and management plan for the director; and

3.1 (8) keep the beneficiaries, governor, legislature, and the public informed about the work  
3.2 of the director by reporting to the Legislative Permanent School Fund Commission in a  
3.3 public meeting at least once during each calendar quarter.

3.4 (b) In carrying out the duties under paragraph (a), the school trust lands director shall  
3.5 have the authority to:

3.6 (1) direct and control money appropriated to the director;

3.7 (2) establish job descriptions and employ up to five employees in the unclassified service,  
3.8 within the limitations of money appropriated to the director;

3.9 (3) enter into interdepartmental agreements with any other state agency;

3.10 (4) enter into joint powers agreements under chapter 471;

3.11 (5) evaluate and initiate real estate development projects on school trust lands with the  
3.12 advice of the Legislative Permanent School Fund Commission in order to generate long-term  
3.13 economic return to the permanent school fund;

3.14 (6) serve as temporary trustee of school trust land for school trust lands subject to  
3.15 proposed or active eminent domain proceedings; and

3.16 (7) submit recommendations on strategies for school trust land leases, sales, or exchanges  
3.17 to the commissioner of natural resources and the Legislative Permanent School Fund  
3.18 Commission.