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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **1137**

03/16/2011 Authored by Rukavina, Melin and McElfrick

The bill was read for the first time and referred to the Committee on Higher Education Policy and Finance

1.1 A bill for an act  
1.2 relating to higher education; directing a portion of the permanent university fund  
1.3 for a mining engineering program and forestry research; amending Minnesota  
Statutes 2010, section 137.022, subdivision 4, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2010, section 137.022, subdivision 4, is amended to read:

1.7 Subd. 4. **Mineral research; scholarships.** (a) All income credited after July 1,  
1.8 1992, to the permanent university fund from royalties for mining under state mineral  
1.9 leases from and after July 1, 1991, must be allocated as provided in this subdivision.

1.10 (b)(1) Fifty Beginning January 1, 2011, 50 percent of the income must be allocated  
1.11 according to this paragraph. One-half of the income under this paragraph, up to  
1.12 \$50,000,000, must be credited to the mineral research account of the fund to be allocated  
1.13 for the Natural Resources Research Institute-Duluth and Coleraine facilities, for mineral  
1.14 and mineral-related research including mineral-related environmental research; and. The  
1.15 other one-half of the income under this paragraph, up to \$25,000,000, is credited to an  
1.16 endowment for the costs of operating a mining, metallurgical, or related engineering  
1.17 degree program offered through the University of Minnesota at Mesabi Range Community  
1.18 and Technical College and for scholarships for students to attend the mining, metallurgical,  
1.19 or related engineering program.

1.20 (2) The remainder of the income under paragraph (a) and the amount of any income  
1.21 over the \$25,000,000 for the engineering program under clause (1) must be credited  
1.22 to the endowed scholarship account of the fund for distribution annually for scholastic  
1.23 achievement as provided by the Board of Regents to undergraduates enrolled at the

2.1 University of Minnesota who are resident students as defined in section 136A.101,  
2.2 subdivision 8.

2.3 (c) The annual distribution from the endowed scholarship account must be allocated  
2.4 to the various campuses of the University of Minnesota in proportion to the number of  
2.5 undergraduate resident students enrolled on each campus.

2.6 (d) The Board of Regents must report to the education committees of the legislature  
2.7 biennially at the time of the submission of its budget request on the disbursement of money  
2.8 from the endowed scholarship account and to the environment and natural resources  
2.9 committees on the use of the mineral research account.

2.10 (e) Capital gains and losses and portfolio income of the permanent university fund  
2.11 must be credited to its three accounts in proportion to the market value of each account.

2.12 (f) The endowment support from the income and capital gains of the endowed  
2.13 mineral research and endowed scholarship accounts of the fund must not total more than  
2.14 six percent per year of the 36-month trailing average market value of the account from  
2.15 which the support is derived.

2.16 Sec. 2. Minnesota Statutes 2010, section 137.022, is amended by adding a subdivision  
2.17 to read:

2.18 Subd. 5. **Forestry research.** Income from timber sales and related income generated  
2.19 from the surface use of lands that are managed to generate income for the permanent  
2.20 university fund must be credited to the permanent university fund and used according to  
2.21 this subdivision. All income after January 1, 2011, must be credited to an endowment and  
2.22 allocated for the Natural Resources Research Institute-Duluth and Coleraine facilities for  
2.23 forestry related research.

2.24 Sec. 3. **EFFECTIVE DATE.**

2.25 Sections 1 and 2 are effective retroactively from January 1, 2011.