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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1438

03/11/2013 Authored by Newton, O'Driscoll, Abeler and Hortman

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

1.1 A bill for an act
1.2 relating to natural resources; prohibiting payment of minerals management costs
1.3 from permanent school trust fund land proceeds; appropriating money; amending
1.4 Minnesota Statutes 2012, sections 93.22, subdivision 1; 93.2236.

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

1.6 Section 1. Minnesota Statutes 2012, section 93.22, subdivision 1, is amended to read:

1.7 Subdivision 1. **Generally.** (a) All payments under sections 93.14 to 93.285 shall be
1.8 made to the Department of Natural Resources and shall be credited according to this section.

1.9 (b) Twenty percent of all payments under sections 93.14 to 93.285, except for those
1.10 payments received for school trust lands, shall be credited to the minerals management
1.11 account in the natural resources fund as costs for the administration and management of
1.12 state mineral resources by the commissioner of natural resources.

1.13 (c) The remainder of the payments shall be credited as follows:

1.14 (1) if the lands or minerals and mineral rights covered by a lease are held by the state
1.15 by virtue of an act of Congress, payments made under the lease shall be credited to the
1.16 permanent fund of the class of land to which the leased premises belong;

1.17 (2) if a lease covers the bed of navigable waters, payments made under the lease
1.18 shall be credited to the permanent school fund of the state;

1.19 (3) if the lands or minerals and mineral rights covered by a lease are held by the state
1.20 in trust for the taxing districts, payments made under the lease shall be distributed annually
1.21 on the first day of September to the respective counties in which the lands lie, to be
1.22 apportioned among the taxing districts interested therein as follows: county, three-ninths;
1.23 town or city, two-ninths; and school district, four-ninths;

2.1 (4) if the lands or mineral rights covered by a lease became the absolute property of
 2.2 the state under the provisions of chapter 84A, payments made under the lease shall be
 2.3 distributed as follows: county containing the land from which the income was derived,
 2.4 five-eighths; and general fund of the state, three-eighths; and

2.5 (5) except as provided under this section and except where the disposition of
 2.6 payments may be otherwise directed by law, payments made under a lease shall be paid
 2.7 into the general fund of the state.

2.8 **EFFECTIVE DATE.** This section is effective July 1, 2013.

2.9 Sec. 2. Minnesota Statutes 2012, section 93.2236, is amended to read:

2.10 **93.2236 MINERALS MANAGEMENT ACCOUNT.**

2.11 (a) The minerals management account is created as an account in the natural
 2.12 resources fund. Interest earned on money in the account accrues to the account. Money in
 2.13 the account may be spent or distributed only as provided in paragraphs (b) and (c).

2.14 (b) If the balance in the minerals management account exceeds \$3,000,000 on
 2.15 June 30, the amount exceeding \$3,000,000 must be distributed to the ~~permanent school~~
 2.16 ~~fund, the permanent university fund,~~ and taxing districts as provided in section 93.22,
 2.17 subdivision 1, paragraph (c). The amount distributed to each fund must be in the same
 2.18 proportion as the total mineral lease revenue received in the previous biennium from
 2.19 ~~school trust lands,~~ university lands, and lands held by the state in trust for taxing districts.

2.20 (c) Subject to appropriation by the legislature, money in the minerals management
 2.21 account may be spent by the commissioner of natural resources for mineral resource
 2.22 management and projects to enhance future mineral income and promote new mineral
 2.23 resource opportunities.

2.24 **EFFECTIVE DATE.** This section is effective July 1, 2013.

2.25 Sec. 3. **APPROPRIATIONS.**

2.26 \$..... is appropriated in fiscal year 2014 from the general fund to the commissioner
 2.27 of natural resources for the minerals management activities for school trust lands.