

1.1 A bill for an act

1.2 relating to education; creating an independent agency to oversee the management  
1.3 of Minnesota's permanent school fund lands; amending Minnesota Statutes 2008,  
1.4 sections 16A.125, subdivision 5; 84.027, subdivision 18; 84.085, subdivision 1;  
1.5 92.12, subdivision 1; 92.121; 92.13; 93.2236; 94.342, subdivision 5; Minnesota  
1.6 Statutes 2009 Supplement, section 16A.06, subdivision 11; proposing coding for  
1.7 new law as Minnesota Statutes, chapter 128E.

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

1.9 Section 1. Minnesota Statutes 2009 Supplement, section 16A.06, subdivision 11,  
1.10 is amended to read:

1.11 Subd. 11. **Permanent school fund reporting.** The commissioner shall annually  
1.12 report to the Board of Trustees of the Permanent School Trust Lands Administration,  
1.13 the Permanent School Fund Advisory Committee, and the legislature the amount of the  
1.14 permanent school fund transfer and information about the investment of the permanent  
1.15 school fund provided by the State Board of Investment. The State Board of Investment  
1.16 shall provide information about how they maximized the long-term economic return of the  
1.17 permanent school fund.

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

1.19 Sec. 2. Minnesota Statutes 2008, section 16A.125, subdivision 5, is amended to read:

1.20 Subd. 5. **Forest trust lands.** (a) The term "state forest trust fund lands" as used  
1.21 in this subdivision, means public land in trust under the Constitution set apart as "forest  
1.22 lands under the authority of the commissioner" of natural resources as defined by section  
1.23 89.001, subdivision 13.

2.1 (b) The commissioner of management and budget shall credit the revenue from the  
2.2 forest trust fund lands to the forest suspense account. The account must specify the trust  
2.3 funds interested in the lands and the respective receipts of the lands.

2.4 (c) After a fiscal year, the commissioner of management and budget shall certify the  
2.5 total costs incurred for forestry during that year under appropriations for the protection,  
2.6 improvement, administration, and management of state forest trust fund lands and  
2.7 construction and improvement of forest roads to enhance the forest value of the lands.  
2.8 The certificate must specify the trust funds interested in the lands. The commissioner of  
2.9 natural resources and the director of the Permanent School Trust Lands Administration  
2.10 shall supply the commissioner of management and budget with the information needed  
2.11 for the certificate.

2.12 (d) After a fiscal year, the commissioner shall apportion the receipts and distribute  
2.13 the receipts credited to the suspense account during that fiscal year as follows:

2.14 (1) the amount of the certified costs incurred by the ~~state~~ Department of Natural  
2.15 Resources for forest management, forest improvement, and road improvement during the  
2.16 fiscal year shall be transferred to the forest management investment account established  
2.17 under section 89.039, and the portion of the certified costs incurred by the Permanent  
2.18 School Trust Lands Administration must be transferred to that agency's investment  
2.19 account;

2.20 (2) the balance of the certified costs incurred by the ~~state~~ Department of Natural  
2.21 Resources during the fiscal year shall be transferred to the general fund; and

2.22 (3) the balance of the receipts shall then be returned prorated to the trust funds in  
2.23 proportion to their respective interests in the lands which produced the receipts.

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

2.25 Sec. 3. Minnesota Statutes 2008, section 84.027, subdivision 18, is amended to read:

2.26 Subd. 18. **Permanent school fund authority; reporting.** The ~~commissioner of~~  
2.27 ~~natural resources~~ director of the Permanent School Trust Lands Administration has the  
2.28 authority and responsibility for the administration of school trust lands under sections  
2.29 92.121 and 127A.31. The ~~commissioner~~ director shall biannually report to the Permanent  
2.30 School Fund Advisory Committee and the legislature on the management of the school  
2.31 trust lands that shows how the ~~commissioner~~ director has and will continue to achieve  
2.32 the following goals:

2.33 (1) manage the school trust lands efficiently;

2.34 (2) reduce the management expenditures of school trust lands and maximize the  
2.35 revenues deposited in the permanent school trust fund;

3.1 (3) manage the sale, exchange, and commercial leasing of school trust lands to  
3.2 maximize the revenues deposited in the permanent school trust fund and retain the value  
3.3 from the long-term appreciation of the school trust lands; and

3.4 (4) manage the school trust lands to maximize the long-term economic return for the  
3.5 permanent school trust fund while maintaining sound natural resource conservation and  
3.6 management principles.

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

3.8 Sec. 4. Minnesota Statutes 2008, section 84.085, subdivision 1, is amended to read:

3.9 Subdivision 1. **Authority.** (a) The commissioner of natural resources may accept for  
3.10 and on behalf of the state any gift, bequest, devise, or grants of lands or interest in lands or  
3.11 personal property of any kind or of money tendered to the state for any purpose pertaining  
3.12 to the activities of the department or any of its divisions. Any money so received is hereby  
3.13 appropriated and dedicated for the purpose for which it is granted. Lands and interests in  
3.14 lands so received may be sold or exchanged as provided in chapter 94.

3.15 (b) When the commissioner of natural resources accepts lands or interests in land,  
3.16 the commissioner may reimburse the donor for costs incurred to obtain an appraisal needed  
3.17 for tax reporting purposes. If the state pays the donor for a portion of the value of the  
3.18 lands or interests in lands that are donated, the reimbursement for appraisal costs shall not  
3.19 exceed \$1,500. If the donor receives no payment from the state for the lands or interests in  
3.20 lands that are donated, the reimbursement for appraisal costs shall not exceed \$5,000.

3.21 (c) The commissioner of natural resources, on behalf of the state, may accept and  
3.22 use grants of money or property from the United States or other grantors for conservation  
3.23 purposes not inconsistent with the laws of this state. Any money or property so received  
3.24 is hereby appropriated and dedicated for the purposes for which it is granted, and shall  
3.25 be expended or used solely for such purposes in accordance with the federal laws and  
3.26 regulations pertaining thereto, subject to applicable state laws and rules as to manner  
3.27 of expenditure or use providing that the commissioner may make subgrants of any  
3.28 money received to other agencies, units of local government, private individuals, private  
3.29 organizations, and private nonprofit corporations. Appropriate funds and accounts shall  
3.30 be maintained by the commissioner of management and budget to secure compliance  
3.31 with this section.

3.32 ~~(d) The commissioner may accept for and on behalf of the permanent school fund a~~  
3.33 ~~donation of lands, interest in lands, or improvements on lands. A donation so received~~  
3.34 ~~shall become state property, be classified as school trust land as defined in section 92.025,~~  
3.35 ~~and be managed consistent with section 127A.31.~~

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

4.2 Sec. 5. Minnesota Statutes 2008, section 92.12, subdivision 1, is amended to read:

4.3 Subdivision 1. **Appraisers.** The director of the Permanent School Trust Lands  
4.4 Administration may have any school trust land appraised. The commissioner may  
4.5 have any ~~school trust or~~ other state lands appraised. The appraisals must be made by  
4.6 regularly appointed and qualified state appraisers. To be qualified, an appraiser must  
4.7 hold a state appraiser license issued by the Department of Commerce. The appraisal  
4.8 must be in conformity with the Uniform Standards of Professional Appraisal Practice of  
4.9 the Appraisal Foundation.

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

4.11 Sec. 6. Minnesota Statutes 2008, section 92.121, is amended to read:

4.12 **92.121 PERMANENT SCHOOL FUND LANDS.**

4.13 The director of the Permanent School Trust Lands Administration and the  
4.14 commissioner of natural resources shall exchange permanent school fund land as defined  
4.15 in the Minnesota Constitution, article XI, section 8, located in state parks, state recreation  
4.16 areas, wildlife management areas, scientific and natural areas, or state waysides or on lands  
4.17 managed by the commissioner as old growth stands, for other lands as allowed by the  
4.18 Minnesota Constitution, article XI, section 10, and section 94.343, subdivision 1, that are  
4.19 compatible with the goal of the permanent school fund lands in section 127A.31 when, as a  
4.20 result of management practices applied to the permanent school fund lands and associated  
4.21 resources, revenue generation has been diminished or is prohibited and no alternative has  
4.22 been put into effect to compensate the permanent school fund for the income losses.

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

4.24 Sec. 7. Minnesota Statutes 2008, section 92.13, is amended to read:

4.25 **92.13 STATE LANDS, DATE OF SALE.**

4.26 The commissioner shall hold public sales of ~~school and other~~ state lands other than  
4.27 school lands when it is advantageous to the state and to intending buyers and settlers.

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

4.29 Sec. 8. Minnesota Statutes 2008, section 93.2236, is amended to read:

4.30 **93.2236 MINERALS MANAGEMENT ACCOUNT.**

**S.F. No. 3042, as introduced - 86th Legislative Session (2009-2010) [10-5822]**

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

5.4 (b) If the balance in the minerals management account exceeds \$3,000,000 on June  
5.5 30, the amount exceeding \$3,000,000 must be distributed to the permanent school fund  
5.6 and the permanent university fund. The amount distributed to each fund must be in the  
5.7 same proportion as the total mineral lease revenue received in the previous biennium  
5.8 from school trust lands and university lands.

5.9 (c) Subject to appropriation by the legislature, and approval by the director of the  
5.10 Permanent School Trust Lands Administration, money in the minerals management  
5.11 account may be spent by the commissioner of natural resources for mineral resource  
5.12 management and projects to enhance future mineral income and promote new mineral  
5.13 resource opportunities.

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

5.15 Sec. 9. Minnesota Statutes 2008, section 94.342, subdivision 5, is amended to read:

5.16 Subd. 5. **Additional restrictions on school trust land.** School trust land may  
5.17 be exchanged with other Class A land only if the ~~Permanent School Fund Advisory~~  
5.18 ~~Committee is appointed as temporary~~ Board of Trustees of the Permanent School  
5.19 Trust Lands Administration is serving as trustee of the school trust land for purposes  
5.20 of the exchange. The committee shall provide independent legal counsel to review the  
5.21 exchanges.

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

5.23 Sec. 10. **[128E.01] CITATION; PERMANENT SCHOOL TRUST LANDS**  
5.24 **ADMINISTRATION ACT.**

5.25 This chapter may be cited as the Permanent School Trust Lands Administration Act.

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

5.27 Sec. 11. **[128E.02] POLICY AND PURPOSE.**

5.28 (a) The purpose of chapter 128E is to establish an administration and board to  
5.29 manage Minnesota's school trust lands in accordance with the provisions of the Minnesota  
5.30 Constitution, article XI, section 8.

5.31 (b) As trustee, the state must manage the lands and revenues generated from the  
5.32 lands in the most prudent and profitable manner possible, and not for any purpose

6.1 inconsistent with the best interests of the trust beneficiaries as defined in the Minnesota  
6.2 Constitution, article XI, section 8.

6.3 (c) The trustee must be concerned with both income for the current beneficiaries  
6.4 and the preservation of trust assets for future beneficiaries, which requires a balancing of  
6.5 short-term and long-term interests so that long-term benefits are not lost in an effort to  
6.6 maximize short-term gains.

6.7 (d) The beneficiaries do not include other governmental institutions or agencies, the  
6.8 public at large, or the general welfare of this state. This chapter shall be liberally construed  
6.9 to enable the board of trustees, the director, and the administration to faithfully fulfill the  
6.10 state's obligations to the trust beneficiaries.

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

6.12 Sec. 12. **[128E.03] DEFINITIONS.**

6.13 Subdivision 1. **Administration.** "Administration" means the Permanent School  
6.14 Trust Lands Administration.

6.15 Subd. 2. **Board.** "Board" or "board of trustees" means the Permanent School Trust  
6.16 Lands Board of Trustees.

6.17 Subd. 3. **Director.** "Director" or "director of the Permanent School Trust Lands  
6.18 Administration" means the chief executive officer of the Permanent School Trust Lands  
6.19 Administration.

6.20 Subd. 4. **School trust land.** "School trust land" means land granted by the United  
6.21 States for use of schools within each township, swamp land granted to the state, and  
6.22 internal improvement land that are reserved for permanent school fund purposes under  
6.23 the Minnesota Constitution, article XI, section 8, and land exchanged, purchased, or  
6.24 granted to the permanent school fund.

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

6.26 Sec. 13. **[128E.04] GOVERNANCE.**

6.27 Subdivision 1. **Establishment.** The Permanent School Trust Lands Administration  
6.28 is established. The administration is an independent state agency and not a division of  
6.29 any other department and is not subject to section 16B.37.

6.30 Subd. 2. **Management.** The Permanent School Trust Lands Administration shall  
6.31 manage all school trust lands within the state. The administration is managed by a director  
6.32 appointed by a majority vote of the board of trustees with the consent of the governor. The

7.1 board of trustees shall provide policies for the management of the administration and for  
7.2 the management of trust lands and assets.

7.3 Subd. 3. **Joint ventures.** The Permanent School Trust Lands Administration, upon  
7.4 approval of the board of trustees, may enter into joint ventures to develop trust lands  
7.5 and minerals.

7.6 Subd. 4. **Board of trustees membership; nomination list; qualifications; terms;**  
7.7 **replacement; chair; quorum.** (a) There is established the Permanent School Trust Lands  
7.8 Board of Trustees.

7.9 (b) The board shall consist of seven members appointed on a nonpartisan basis by the  
7.10 governor with the consent of the senate for nonconsecutive six-year terms. Of the initial  
7.11 appointments to the board, the governor shall appoint one member to serve a six-year term,  
7.12 one member to serve a five-year term, one member to serve a four-year term, one member  
7.13 to serve a three-year term, one member to serve a two-year term, and one member to serve  
7.14 a one-year term. All subsequent appointments shall be for a term of six years, except, if a  
7.15 vacancy occurs, the governor shall appoint a replacement to fill the unexpired term.

7.16 (c) Any member of the board who has served less than six years upon the expiration  
7.17 of that member's term is eligible for a consecutive reappointment.

7.18 (d) The governor shall select six of the seven appointees to the board from a  
7.19 nomination list of at least two candidates for each position or vacancy submitted according  
7.20 to subdivision 5. The governor may request an additional nomination list of at least two  
7.21 candidates from the nominating committee if the initial list of candidates for a given  
7.22 position is unacceptable. If the governor fails to select an appointee within 60 days  
7.23 after receipt of the initial list or within 60 days after the receipt of an additional list, the  
7.24 nominating committee shall make an interim appointment by majority vote. The interim  
7.25 appointee shall serve until the matter is resolved by the committee and the governor  
7.26 or until replaced pursuant to this chapter.

7.27 (e) The governor may appoint one member without requiring a nomination list. This  
7.28 member serves at the pleasure of the governor.

7.29 (f) Each board candidate shall possess outstanding professional qualifications  
7.30 pertinent to the purposes and activities of the trust. The board shall represent the following  
7.31 areas of expertise: nonrenewable resource management or development, renewable  
7.32 resource management or development, and real estate. Other qualifications which are  
7.33 pertinent for membership to the board are expertise in any of the following areas: business,  
7.34 investment banking, finance, trust administration, asset management, and the practice of  
7.35 law in the areas of natural resources or real estate.

8.1 (g) The board of trustees shall select a chair from its membership. Before assuming  
8.2 a position on the board, each member shall take an oath of office. Four members of the  
8.3 board constitute a quorum for the transaction of business. The governor or five board  
8.4 members may, for cause, remove a member of the board.

8.5 Subd. 5. **Board of trustees nominating committee.** (a) There is established an  
8.6 11-member board of trustees nominating committee.

8.7 (b) The commissioner of education shall appoint five members to the nominating  
8.8 committee from different geographical areas of the state.

8.9 (c) The governor shall appoint five members to the nominating committee as follows:

8.10 (1) one individual from a nomination list of at least two names of individuals  
8.11 knowledgeable about school trust lands submitted by the University of Minnesota;

8.12 (2) one individual from a nomination list of at least two names submitted by the  
8.13 timber industry;

8.14 (3) two individuals from a nomination list of at least four names submitted by the  
8.15 mining industry; and

8.16 (4) one individual from a nomination list of at least two names submitted by the  
8.17 commissioner of the Department of Natural Resources after consultation with statewide  
8.18 wildlife and conservation organizations.

8.19 (d) The executive director of the Association of Minnesota Counties shall designate  
8.20 one member, who must be an elected county commissioner, to serve as the eleventh  
8.21 member of the nominating committee.

8.22 (e) Each member shall serve a four-year term, except that the commissioner of  
8.23 education and the governor shall, at the time of appointment or reappointment, adjust the  
8.24 length of terms to ensure that the terms of committee members are staggered so that  
8.25 approximately one-half of the committee is appointed every two years.

8.26 (f) When a vacancy occurs in the membership for any reason, the replacement  
8.27 shall be appointed for the unexpired term.

8.28 (g) The nominating committee shall select a chair from its membership by majority  
8.29 vote and shall nominate at least two candidates for each position or vacancy which occurs  
8.30 on the board of trustees except for the governor's appointee. The nominations shall be by  
8.31 majority vote of the committee.

8.32 (h) Nominating committee members may receive per diem and expenses incurred in  
8.33 the performance of their official duties as provided in section 15.0575.

8.34 Subd. 6. **Information to board.** Board members shall be given access to all  
8.35 administration records and personnel consistent with law and as necessary to permit



9.1 the board to accomplish its responsibilities to ensure that the administration is in full  
9.2 compliance with applicable policies and law.

9.3 Subd. 7. **Rulemaking.** The director may make rules as approved by the board  
9.4 according to chapter 14.

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

9.6 Sec. 14. **[128E.05] POLICIES.**

9.7 Subdivision 1. **Management.** The board shall establish policies for the management  
9.8 of the Permanent School Trust Lands Administration. The policies shall:

9.9 (1) be consistent with the Minnesota Constitution and state law;

9.10 (2) reflect undivided loyalty to the beneficiaries consistent with fiduciary duties;

9.11 (3) require the return of not less than fair market value for the use, sale, or exchange  
9.12 of school trust assets;

9.13 (4) seek to optimize trust land revenues and increase the value of trust land holdings  
9.14 consistent with the balancing of short-term and long-term interests, so that long-term  
9.15 benefits are not lost in an effort to maximize short-term gains;

9.16 (5) maintain the integrity of the trust and prevent the misapplication of its lands  
9.17 and its revenues; and

9.18 (6) have regard for and seek general fund appropriation compensation for the  
9.19 general public's use of natural resources consistent with the duties of the administration  
9.20 as trustee for the beneficiaries.

9.21 Subd. 2. **Duties.** The board shall ensure that the administration is managed  
9.22 according to law. The board shall establish due process procedures governing adjudicative  
9.23 proceedings conducted by the administration. The board and the director shall recommend  
9.24 to the governor and the legislature any necessary or desirable changes in statutes relating  
9.25 to the trust or their trust responsibilities. The board shall develop policies for the long-term  
9.26 benefit of the trust utilizing the broad discretion and power granted to it in this chapter.

9.27 Subd. 3. **Policies continued unless changed.** Policies adopted by the Department  
9.28 of Natural Resources prior to the effective date of this act regarding school trust lands  
9.29 shall remain in effect until amended or repealed by the board. The administration shall be  
9.30 the named party in substitution of the Department of Natural Resources or its predecessor  
9.31 agencies with respect to all documents affecting trust lands from the effective date of  
9.32 this act.

9.33 Subd. 4. **Other lands.** The board may authorize the director to manage lands or  
9.34 interests in lands held by any other public or private party if:

9.35 (1) all management costs are compensated by the parties;

10.1 (2) there is a commensurate return to the beneficiaries; and

10.2 (3) the additional responsibilities do not detract from the administration's  
10.3 responsibilities and its duty of undivided loyalty to the beneficiaries.

10.4 Subd. 5. **Accept land and property.** The board may accept for and on behalf of the  
10.5 permanent school fund a donation of lands, interest in lands, or improvements on lands.  
10.6 A donation so received shall become state property, be classified as school trust land as  
10.7 defined in section 92.025, and be managed consistent with section 127A.31.

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

10.9 Sec. 15. **[128E.06] DIRECTOR.**

10.10 Subdivision 1. **Term.** The board, with the consent of the governor, shall select the  
10.11 director on the basis of outstanding professional qualifications pertinent to the purposes  
10.12 and activities of the trust. The governor may withhold consent from a candidate agreed  
10.13 upon by the board only by stating reasons in writing to the board. The director shall serve  
10.14 a term of four years, or until a successor is selected and qualified. When a vacancy occurs  
10.15 in the office of the director, the vacancy shall be filled by the board for the remainder of  
10.16 the term.

10.17 Subd. 2. **Compensation.** The board shall establish the compensation of the director  
10.18 and annually report the director's compensation to the legislature. The compensation and  
10.19 performance of the director shall be examined each year as part of the board's budget  
10.20 review process. The director's compensation is subject to section 3.855.

10.21 Subd. 3. **Removal from office.** The board may remove the director from office for  
10.22 cause by a majority vote of the board. The governor may petition the board for removal of  
10.23 the director for cause. The board shall hold a hearing on the governor's petition within  
10.24 60 days after its receipt. If, after the hearing, the board finds by a preponderance of the  
10.25 evidence cause for removal, it may choose to remove the director.

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

10.27 Sec. 16. **[128E.07] RESPONSIBILITIES OF THE DIRECTOR.**

10.28 Subdivision 1. **Duties and budget review.** In carrying out the policies of the board  
10.29 of trustees and in establishing procedures and rules, the director shall:

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

10.31 (2) adopt procedures and rules necessary for the proper administration of matters  
10.32 entrusted to the director by state law and board policy;

11.1 (3) submit to the board for its review and concurrence on any rules necessary for the  
11.2 proper management of matters entrusted to the administration;

11.3 (4) faithfully manage the administration under the policies established by the board;

11.4 (5) submit to the board and for public inspection by October 1 of each year an  
11.5 annual management budget and financial plan for operations of the administration and,  
11.6 after approval by the board, submit the budget to the governor;

11.7 (6) direct and control the budget expenditures as finally authorized and appropriated;

11.8 (7) establish job descriptions and employ, within the limitation of the budget, staff  
11.9 necessary to accomplish the purposes of the office;

11.10 (8) establish, in accordance with generally accepted principles of fund accounting, a  
11.11 system to identify and account for the assets and vested interests of each beneficiary;

11.12 (9) maintain appropriate records of trust activities to enable auditors appointed by  
11.13 appropriate state agencies or the board to conduct periodic audits of trust activities;

11.14 (10) provide that all leases, contracts, and agreements be submitted to legal counsel  
11.15 for review of compliance with applicable law and fiduciary duties prior to execution and  
11.16 utilize the services of the attorney general as provided in section 128E.08;

11.17 (12) keep the board, beneficiaries, governor, legislature, and the public informed  
11.18 about the work of the director and administration by reporting to the board in a public  
11.19 meeting at least once during each calendar quarter; and

11.20 (13) respond in writing within a reasonable time to a request by the board for  
11.21 responses to questions on policies and practices affecting the management of the trust.

11.22 Subd. 2. **Additional responsibilities.** The director may:

11.23 (1) with the consent of the board, manage lands or interests in lands held by any  
11.24 other public or private party pursuant to policies established by the board and may make  
11.25 rules to implement these board policies;

11.26 (2) sue or be sued as the director of school and institutional trust lands;

11.27 (3) contract with other public agencies for personnel management services; and

11.28 (4) with the approval of the board, enter into joint ventures and other business  
11.29 arrangements consistent with the purposes of the trust.

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

11.31 Sec. 17. **[128E.08] ATTORNEY GENERAL.**

11.32 (a) The attorney general shall: represent the board, director, or administration in any  
11.33 legal action relating to trust lands except as otherwise provided in paragraph (c); review  
11.34 leases, contracts, and agreements submitted for review prior to execution; and undertake  
11.35 suits for the collection of royalties, rental, and other damages in the name of the state.

12.1 (b) The attorney general may institute actions against any party to enforce this  
12.2 chapter or to protect the interests of the trust beneficiaries.

12.3 (c) The administration may, with the consent of the attorney general, employ  
12.4 in-house legal counsel to perform the duties of the attorney general under paragraphs (a)  
12.5 and (b). In those instances where the interests of the trust beneficiaries conflict with those  
12.6 of state officers or executive department agencies for which the attorney general acts as  
12.7 legal advisor, the board may, with the consent of the attorney general, employ independent  
12.8 counsel to represent and protect those interests.

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

12.10 Sec. 18. **[128E.09] LAND EXCHANGE.**

12.11 The director of the Permanent School Trust Lands Administration may enter into  
12.12 land exchange agreements with the commissioner of natural resources according to the  
12.13 provisions of section 92.121.

12.14 Sec. 19. **[128E.10] FOREST AND MINERALS MANAGEMENT.**

12.15 Subdivision 1. **Control.** All forest and minerals management on school trust lands  
12.16 is vested with the board of the Permanent School Trust Lands Administration according  
12.17 to the provisions of this chapter.

12.18 Subd. 2. **May contract.** The administration may contract with any public or  
12.19 private entity to make improvements to or upon trust lands and to carry out any of the  
12.20 responsibilities of the office, so long as the contract requires strict adherence to trust  
12.21 management principles and applicable law, and is subject to immediate suspension or  
12.22 termination for cause.

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

12.24 Sec. 20. **TRANSFER OF STAFF AND ASSETS AND BUDGET**  
12.25 **RESPONSIBILITY.**

12.26 All personnel, equipment, and other assets directly associated with the management  
12.27 of the permanent school fund lands are transferred from the Department of Natural  
12.28 Resources and any other state agency to the Permanent School Trust Lands Administration  
12.29 effective July 1, 2013, according to Minnesota Statutes, section 15.039.

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