

January 12, 1977

The Natural Resources Committee met at 10 a.m., January 12, 1977, in room 437, with Chairman Sheldon presiding and all members present except Reps. Bengtson, Burnett, Hirsch, and Hunnekens who were excused.

Chairman Sheldon said this meeting was for a discussion of HB 48 among the committee members.

The question was brought up as to what impact this bill could have on the school trust fund. Rep. Kessler had talked to Bob Stock, Superintendent of Public Instructions office, and had been given the following information: 10.5 million in 1975 and the same for 1976 came into the trust fund from these school lands, and this is approximately 8% of school moneys. This loss would be sustained only if all the school land was removed from monetary leases.

Rep. Davis felt that certain criteria would be needed to keep this from being a political football. Rep. Nathe also felt that good guidelines would be needed or it could be a Pandora's Box with a lot of tax problems.

Rep. Harper questioned whether the criteria used now to determine leases was very well defined. He said the land is not now managed to bring in the highest returns and he had a question about the competitive bidding process.

Rep. Davis said he was somewhat familiar with the bidding process. Every ten years a lease is up for renewal and at that time anyone can bid on it. The previous owner has the opportunity to match the top bid. If somebody bids excessively high the Land Board can reject that bid as it would not be in the long term best interest of the land. This then is their criteria--he wondered what criteria they would use if nonmonetary uses had to be considered.

Chairman Sheldon expressed confidence that with the latitude that the Land Board has developed for reasonable solutions they could work out a criteria for nonmonetary also. He also mentioned that much of the nonmonetary use would be compatible with the monetary use and could go on side by side.

Rep. Frates said leasees are restricting state lands more. He felt that nonmonetary added here would give the public some protection so they could have reasonable rights of access if they went through the right channels. He felt that striking "nonmonetary" would take from the public something they now have under the Multiple Use Act.

After further discussion Rep. Quilici moved that HB 48 be put in a subcommittee of this committee and consist of three members. Rep. Frates seconded the motion and the motion carried.

Chairman Sheldon appointed Rep. Metcalf, chairman, Rep. Harper and Rep. Nathe to this committee. Rep. Nathe said he would serve if the chairman and committee wished him to but he did want it known that he did lease school land and might be somewhat biased. There were no objections raised.

Meeting adjourned at 10:35 a.m.

