



# Board of County Commissioners Agenda Request



**Requested Meeting Date:**

**Title of Item:**

<p>REGULAR AGENDA</p> <p>CONSENT AGENDA</p> <p>INFORMATION ONLY</p>	<p><b>Action Requested:</b></p> <p>Approve/Deny Motion</p> <p>Adopt Resolution (attach draft)</p> <p style="text-align: right;"><i>*provide copy of hearing notice that was published</i></p>	<p>Direction Requested</p> <p>Discussion Item</p> <p>Hold Public Hearing*</p>
<b>Submitted by:</b>		<b>Department:</b>
<b>Presenter (Name and Title):</b>		<b>Estimated Time Needed:</b>
<b>Summary of Issue:</b>		
<b>Alternatives, Options, Effects on Others/Comments:</b>		
<b>Recommended Action/Motion:</b>		
<p><b>Financial Impact:</b></p> <p><i>Is there a cost associated with this request?</i>                      Yes                      No</p> <p><i>What is the total cost, with tax and shipping? \$</i></p> <p><i>Is this budgeted?</i>                      Yes                      No                      <i>Please Explain:</i></p>		

## Public Lands In-Depth

Version 1.4, 6/27/2019

*This document is a comprehensive collection of data and information about Minnesota's public lands, focusing on the state lands managed by the DNR. It details their extent, history, and the recreational, economic and environmental benefits they provide. It includes a list of selected sources. **Learn more:** [mndnr.gov/publiclands](http://mndnr.gov/publiclands)*

### Public lands overview

**About 24 percent of Minnesota's lands are public lands** – more than 12 million acres of state, federal and county lands managed on behalf of citizens.

**The DNR manages 5.6 million acres of state lands**, about 11 percent of Minnesota's total land area, or roughly 1 acre per person.

**Minnesota counties manage 2.8 million acres of state lands**, about 6 percent of Minnesota's total land area. These lands came into state ownership through forfeiture for non-payment of the general property tax.

Minnesota's public lands provide recreational, economic and environmental benefits.

### DNR manages 5.6 million acres of state lands

#### Public lands and facilities managed by the DNR include:

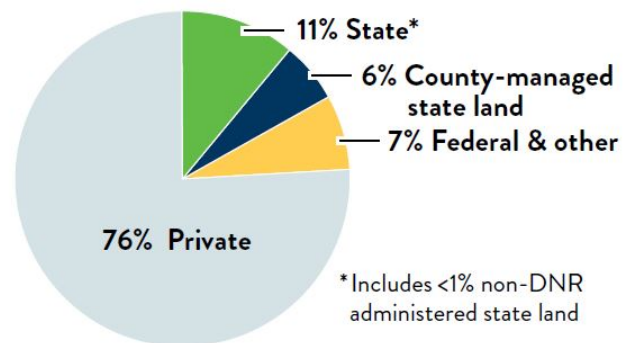
- 59 state forests, school trust acres, and other forested lands covering 4.2 million acres.
- More than 1,800 wildlife management areas covering 1.3 million acres.
- 66 state parks, nine state recreation areas and nine state waysides, totaling 234,500 acres.
- 166 scientific and natural areas covering 192,000 acres.
- 700 aquatic management areas covering 46,000 acres.

#### Public lands can be reached via trails and public water access sites managed by the DNR:

- 1,500 miles of state trails, 23,800 miles of grants-in-aid trails (1,800 off-highway vehicle, 700 ski, and 21,300 snowmobile), and 4,100 miles of hiking, biking, horse and motorized trails within state parks, state recreation areas and state forests.
- Approximately 1,700 public water access sites.

### Minnesota Land Ownership

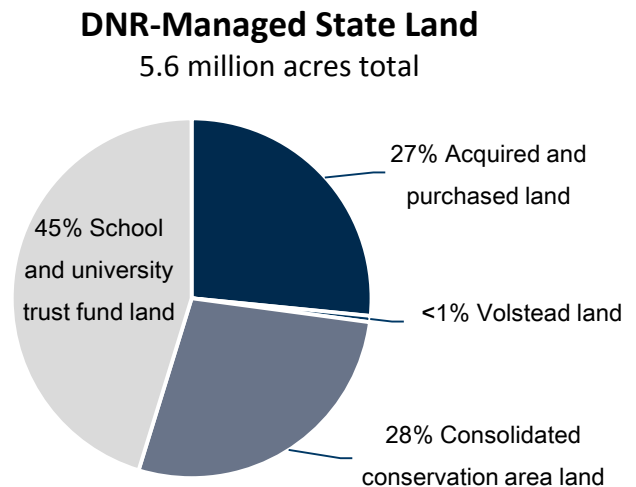
51.1 million acres total



## The majority of DNR-managed land was inherited decades ago.

About 45 percent of DNR lands are **school trust fund lands**.

- The DNR manages 2.5 million acres of school trust lands. The U.S. Congress granted the state 8 million acres of school trust lands, swamp lands, and internal improvement lands during the mid-1800s; 2.5 million acres remain.
- Income from school trust lands, generated primarily by mineral royalties, timber and land sales, are deposited in the Permanent School Fund (PSF). Interest and dividends generated by the PSF's principal are used to support the annual budgets of all school districts in the state.
- School trust lands are 5 percent of Minnesota's total land area.



About 28 percent of DNR lands are **consolidated conservation area lands**.

- The DNR manages 1.55 million acres of consolidated conservation area lands that came into state ownership through tax forfeiture in the 1920s and 1930s. Income generated from DNR natural resource management on these lands is split evenly with the county.
- Consolidated conservation area lands are 3 percent of Minnesota's total land area.

About 27 percent of DNR lands were **acquired** through purchase, county board action, or gifts.

## Strategic land asset management

The DNR regularly evaluates the state's land holdings and looks for ways to improve habitat, conservation, and recreation. The agency strives to reduce land management costs and find efficiencies.

## Local government aid: Payment in Lieu of Taxes (PILT)

Payment in Lieu of Taxes (PILT) is a form of local government aid paid for tax-exempt natural resources land.

- Each year, the state Department of Revenue distributes about \$30 million in PILT payments to counties. Those payments are further distributed to townships and local school districts according to state law.
- For fiscal year 2017, the state paid approximately \$35.7 million in payments to counties on 8.5 million acres of state lands. This is almost \$6 per person.
- The Office of Legislative Auditor concluded in 2010 that PILT payments from DNR-acquired lands exceeded the combined county and township property taxes on similar private land in 90 percent or more counties.
- 2013 legislation increased PILT payments to counties by 15.5 percent.
- Wildlife management areas (WMAs) have been making PILT payments since 1945.

- All other DNR natural resource lands and county-managed tax-forfeited lands have been making PILT payments since 1980.
- In 2017, county payments ranged from \$17,762 for Red Lake County to \$3.075 million for St. Louis County.
- Counties with consolidated conservation lands receive a PILT payment on them. Additionally, if any consolidated conservation lands have timber sales, mineral leases, or are sold, the county receives 50 percent of the revenue.

## Public lands provide many benefits

### Recreational

The majority of Minnesotans (82 percent) consider outdoor recreation to be either very or moderately important to their lives.

- Participation
  - 1.7 million anglers, hunters and trappers.
  - 826,000 registered boats.
  - 192,000 registered snowmobiles and 300,000 registered all-terrain vehicles (ATV's).
  - 10 million state park and recreation area visitors.
  - 509,000 people per year travel to public lands and other places in Minnesota to watch wildlife.
- Economic impact
  - \$725 million per year is generated by hunting through direct expenditures in the state.
  - 80 percent of Minnesota's 557,000 licensed hunters hunt deer.
    - In the forested areas of northern Minnesota, 27 percent hunt only public land. In southwestern and southeastern Minnesota, more than 6 percent of deer hunters hunt only public land; more than half (54 percent) spend some time on public land.
  - \$621 million per year is generated by wildlife watching through direct expenditures in the state.
  - Trail users spent \$3.3 billion, contributed \$2.8 million in local taxes, which accounted for 43,000 jobs in 2008.
  - State park visitors spend \$231 million annually on trip-related expenses, such as food, lodging, and transportation.
  - State park campers spend approximately \$40 per person per day on average. Nearly \$28 of which is on expenses beyond payments in state parks.
  - \$2.4 billion per year is generated by fishing through direct expenditures in the state.

### Timber production

- Each year, the DNR offers 870,000 cords of wood for sale from DNR-administered forest lands. This provides 30 percent of Minnesota's wood fiber for the forest industry.
- The gross revenue of timber harvested off School Trust Fund lands was \$11.8 million in fiscal year 2018.
- Total gross timber revenue from all DNR-administered lands was \$21.5 million in fiscal year 2018.

- DNR-managed forest lands produced \$1.6 billion in primary forest products and related sales in 2016. This is \$62 in product sales value for every \$1 spent on state land forest management.
- About 5 million acres of state administered forest lands are certified “well managed” by the Forest Stewardship Council and the Sustainable Forestry Initiative, including 2.5 million acres of school trust lands.
- The forest products industry is Minnesota’s 5<sup>th</sup> largest manufacturing sector by employment. It generates \$17.6 billion in economic impact, 64,000 jobs and \$458 million in state and local taxes.

## Mineral development

- Mineral leases from lands with state-owned mineral rights generate about \$36 million in revenue annually (average from the past ten years). School trust and university trust lands generated 89% of this revenue.
- Revenue generated on school trust lands is deposited into the Permanent School Fund, which has a current value of \$1.4 billion. Historically, approximately 80% of the revenue generated on school trust lands comes from mining and mineral exploration.
- In 2018, the Permanent School Fund distributed \$32.8 million to Minnesota’s K-12 school districts on a per-pupil basis.
- Each year, mining on state-managed university trust lands supports about 3,000 Iron Range Scholarships, awarded to Minnesota resident undergraduates at the four campuses of the University of Minnesota System (Twin Cities, Duluth, Crookston, and Morris). These scholarships were worth \$6.2 million in the 2017-18 academic year.

## Environmental

### *Biological protection*

- Most remaining large natural landscapes are publicly owned and are in this condition in large part because they are public.
- Many of the state’s best examples of rare and significant natural features (i.e. biodiversity hot spots) occur on public lands.
- 30 percent (or 75,000 acres) of the state’s native prairie are protected on state-managed public land.
- 69 percent (or 2.1 million acres) of the state’s mapped native plant communities are on public land.

### *Wildlife habitat, including rare species*

- Minnesota’s public forests provide habitat for approximately 289 wildlife species and more than 20 game species.
- Minnesota’s public prairies and grasslands provide habitat for approximately 128 wildlife species.
- Public lands help keep species and plant communities from becoming rare. They provide important habitat for species that are declining or are facing serious threats that may cause them to decline.
- 49 rare species (of 577 rare species statewide) are known to occur only on public lands. One rare species only found on public lands in Minnesota is the Canada lynx.

- Minnesota has the highest nesting population of bald eagles and loons in the continental United States.

### *Pollinators*

- Public lands provide critical habitat for pollinators, including the 33 species of butterflies, moths and bumblebees that are species in greatest conservation need.
- Minnesota has more than 400 species of native bees. Public lands provide researchers access to habitats throughout the state to complete the first update to the state native bee species list since 1919.

### *Resilient habitats*

- Intact natural lands help buffer extreme weather impacts associated with changing climate, such as slowing water flow during floods.

### *Climate change mitigation (biological carbon storage)*

- Minnesota peatlands and forests are particularly important reservoirs of carbon. Minnesota peatlands – which are of global conservation significance – store approximately 745 metric tons of carbon per acre.
- Minnesota forests store approximately 99 metric tons of carbon per acre.

### *Research on public lands*

- Public lands, like scientific and natural areas (SNAs) and state forests, provide areas for research that advance our understanding of natural systems.
- Research conducted on public lands includes plant and animal surveys, rare species habitat requirements, and investigations of the effect of management practices on natural lands. For example, DNR researchers have used public lands to survey native bees. Since 2014, 82 percent of bee surveys have occurred on public lands.

### *Water quality, flood protection, groundwater protection*

- 49 percent of the state's wetlands, lakes and rivers are on public land.
- Watersheds with abundant public land provide quality water for drinking, swimming and fishing, buffer the impacts of floods, and help protect groundwater.
- Public lands replenish groundwater supplies.
- Sound management of forested public lands surrounding the Mississippi River ensures clean drinking water for more than one million Minnesotans.

## Public land for the future

### Public support

#### *Voter support for the constitutional amendment*

- In 1988, 77 percent of Minnesota voters voted for the constitutional amendment to create the Environment and Natural Resources Trust Fund for "the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources."
- In 2008, 56 percent of Minnesota voters voted for the Clean Water, Land and Legacy Amendment.
- In 2016, 76 percent of Minnesota voters believed that some funding from the Clean Water, Land and Legacy Amendment should be used to purchase land to protect water, land, and wildlife habitat.

#### *User satisfaction*

- 86 percent of WMA users support ongoing acquisition of these public lands that provide wildlife habitat and access to hunters, wildlife watchers and countless others.
- 63 percent of users also say that WMAs provide high-quality hunting experiences.
- WMA users report these public lands are very important to their recreation and Minnesota's quality of life.

## Selected sources

### Local government aid

Office of the Legislative Auditor, State of Minnesota. 2010. Evaluation Report: Natural Resource Land.

### Recreational benefits

- D'Angelo et al. 2014. Evaluating Preferences of Hunters and Landowners for Managing White-tailed Deer in Southwest Minnesota – Final Report March 14, 2014. Minnesota Department of Natural Resources, Division of Fish and Wildlife.
- McInenly, Cornicelli, and Walberg. 2017. Minnesota Deer Management: A Study of deer hunter opinions about deer populations and management: Blocks H1-H5 Final Report. University of Minnesota, Minnesota Cooperative Fish and Wildlife Research Unit, Department of Fisheries, Wildlife, and Conservation Biology.
- Minnesota Department of Natural Resources. 2005. 2004 Outdoor Recreation Participation Survey of Minnesotans: Report on Findings. Minnesota Department of Natural Resources, Office of Management and Budget Services.
- Minnesota Department of Natural Resources. 2013. Contributions of Minnesota State Park Visitor Trip-Related Expenditures to State and Regional Economies in 2012. Minnesota Department of Natural Resources, Operations Services Division.
- Minnesota Department of Natural Resources. 2017. 2015-2017 deer hunter attitude surveys. Division of Fish and Wildlife, Minnesota Department of Natural Resources.

Schroeder and Cornicelli. 2013. Surveys of Hunters Participating in the 2012 3A and 3B Firearm Deer Seasons. University of Minnesota, Minnesota Cooperative Fish and Wildlife Research Unit, Department of Fisheries, Wildlife, and Conservation Biology.

Venegas. 2009. Economic Impact of Recreational Trail Use: in Different Regions of Minnesota. St. Paul., MN: Minnesota Department of Employment and Economic Development, Communication, Analysis, and Research Division.

U.S. Department of the Interior, U.S. Fish and Wildlife Service, and U.S. Department of Commerce, U.S. Census Bureau. 2011 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation.

## **Environmental benefits**

Anderson et al. 2008. The Potential for Terrestrial Carbon Sequestration in Minnesota: A Report to the Department of Natural Resources from the Minnesota Terrestrial Carbon Sequestration Initiative.

Minnesota Department of Natural Resources. 2016. Minnesota's Wildlife Action Plan 2015-2025. Minnesota Department of Natural Resources, Division of Ecological and Water Resources.

## **Public land for the future**

Fairbank, Maslin, Maullin, Metz & Associates and Public Opinion Strategies. 2016. Statewide telephone survey of 600 Minnesota voters likely to cast a ballot in November 2016.

LaSharr and Cornicelli. 2017. Survey of Minnesota Wildlife Management Area Users Participating in the 2015-2016 Seasons. Minnesota Cooperative Fish and Wildlife Research Unit, Department of Fisheries, Wildlife and Conservation Biology. University of Minnesota.



## 2022 Natural Resources Land PILT Payment

September 1, 2022

### Aitkin County

The 2022 Natural Resources Land PILT Payment for your county is **\$ 1,572,075.90**

The following is a listing of the factors used in the calculation of your county's 2022 Natural Resources Land Payment-in-Lieu of Property Tax (PILT). See the instructions and example posted on the DOR website for a more detailed explanation of these factors and their apportionment information.

Acquired Natural Resource Lands	Acreage	Appraised Value
Consolidated Conservation Acquired	(1a) 35,185.93	(1b) \$ 33,116,900.00
Non-Consolidated Conservation Acquired	(2a) 3,279.18	(2b) \$ 14,746,820.00
Acquired Natural Resource Lands	(3a) 38,465.11	(3b) \$ 47,863,720.00
Other Natural Resource Lands	Acreage	Appraised Value
Wildlife Management	(4a) 8,925.28	(4b) \$ 9,614,400.00
County Administered Other	(5a) 220,820.13	(5b) N/A
DNR Administered Other: ConCon	(6a) 201,446.28	(6b) N/A
DNR Administered Other: Non-ConCon	(7a) 148,228.59	(7b) N/A
Land Utilization Project (LUP)	(8a) 0.00	(8b) N/A
Military Game Refuge	(9a) 0.00	(9b) N/A
Transportation Wetlands	(10a) 0.00	(10b) \$ 0.00
Specific Minnesota State Parks*	(11a) 0.00	(11b) \$ 0.00
ConCon Ditch Assessments**	(12a) N/A	(12b) \$ 0.00

13. \$5.133 X Acres of Total Acquired: ( $\$5.133 \times 3a$ )	\$ 197,441.41
14. 0.75% of Appraised Value of Total Acquired: ( $.0075 \times 3b$ )	\$ 358,977.90
15. Greater of 13 or 14 ( <i>Unless County Chooses Otherwise</i> )	\$ 358,977.90
16. \$5.133 X Acres of Wildlife Management ( $\$5.133 \times 4a$ )	\$ 45,813.46
17. 0.75% of Appraised Value of Wildlife Management: ( $.0075 \times 4b$ )	\$ 72,108.00
18. Greater of 16 or 17 ( <i>Unless County Chooses Otherwise</i> )	\$ 72,108.00
19. \$2.00 X Acres of County Administered Other ( $\$2.00 \times 5a$ )	\$ 441,640.26
20. \$2.00 X Acres of DNR Administered Other ( $\$2.00 \times (6a + 7a)$ )	\$ 699,349.74
21. \$5.133 X Acres of Land Utilization Project Land ( $\$5.133 \times 8a$ )	\$ 0.00
22. \$2.5665 X Acres of Military Game Refuge Land ( $\$2.5665 \times 9a$ )	\$ 0.00
23. \$5.133 X Acres of Transportation Wetlands ( $\$5.133 \times 10a$ )	\$ 0.00
24. 1.5% of Appraised Value for Specific MN State Parks ( $.015 \times 11b$ )	\$ 0.00
25. Percentage of \$300,000 ConCon Ditch Appropriation (0.00000%)	\$ 0.00
26. Total 2022 Natural Resources Land PILT Payment (15, 18 to 25)	\$ 1,572,075.90

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27. Distributed under M.S. 477A.12 Subdivision 1, Clause 8 <b>OR</b> M.S. 477A.14 Subdivision 3 <b>OR</b> M.S. 477A.17 (18, 22, 24, 25)	\$ 72,108.00
28. Distributed under M.S. 477A.14 Subdivisions 1 & 2 (15, 19, 20, 21, 23)	
(a) Consolidated Conservation Land Payments:	\$ 651,269.31
(b) Non-Consolidated Conservation Land Payments:	\$ 848,698.59

\* Specific Minnesota State Parks currently refers to the Lake Vermillion State Park and the Soudan Underground Mine State Park, which get payment distributions under M.S. 477A.

\*\* ConCon Ditch Assessments are identified under M.S. 84A, Subdivision. 9 as Ditch Assessments of State-Owned Lands in Consolidated Conservation Areas.

## Payment in Lieu of Taxes (PILT)

- Under state law, Payments in Lieu of Taxes (PILT) are made to local governments for state-owned natural resources land located within a county.
- These PILT payments help counties pay for local services like law enforcement, fire safety, and schools, just as property taxes do.
- The state of Minnesota distributes PILT payments from its main operating general fund. Counties receive PILT payments based on requirements in Minnesota statute. Counties distribute PILT payments to Townships and school districts.
- The DNR calculates PILT amounts to each local government and the Department of Revenue is responsible for distributing PILT payments to counties for disbursing funds to the townships and school districts that receive them.
- In Fiscal Year 2018, the state paid nearly \$36 million in PILT to counties, townships and some school districts related to about 8.5 million acres of state owned land.

## State lands PILT eligibility and payment determination

Under current law, PILT payments are reserved for natural resources lands. County population, revenue-sharing payments, and the amount of state-owned land within its boundaries help determine PILT payments. The highest rate (1.5% of the lands appraised value) is paid for Lake Vermilion-Soudan Underground Mine State Park. County's pay rates are set forth in statute. They are based on the following land classification.

Land classification	Land description	PILT payment rate
DNR-administered lands	All lands held by the state in fee title, and administered by the commissioner of natural resources, that were not on tax rolls when acquired.	\$2.00 per acre
County-administered, tax forfeit lands	Tax-forfeited lands, other than platted lots within a city, administered by counties.	\$2.00 per acre
Land Utilization Project (LUP) lands	Lands owned by the United States, leased by the state, and managed by the DNR for wildlife, forestry, and other conservation purposes.	\$5.133 per acre
Camp Ripley Game Refuge	Land administered by the Department of Military Affairs where hunting or trapping of some or all wild animals is prohibited.	\$2.5665 per acre
Wildlife management lands	Lands acquired from a private landowner for wildlife management purposes, and designated as a Wildlife Management Area (WMA).	Greater of \$5.133 per acre or 0.75% of the appraised value of all wildlife management land within the county.

Land classification	Land description	PILT payment rate
Acquired natural resources land	Land, besides wildlife management land, privately owned at the time of acquisition and consolidated conservation lands designated as state parks, state recreation areas, scientific and natural areas or wildlife management areas.	Greater of \$5.133 per acre or 0.75% of the appraised value of all acquired natural resources land within the county.
Transportation wetland acres	Land acquired by the state from private owners, and administered by the Department of Transportation, for the purpose of replacing wetland losses caused by transportation projects	Greater of \$5.133 per acre or three-fourths of one-percent of the appraised value of all transportation wetland within the county.
Vermilion/Sudan State Parks	These parks have their own PILT statute.	These parks have a special PILT rate of 1.5% of the appraised value of the land within the parks.

## PILT distribution

There are three general PILT distribution systems:

- PILT payments for wildlife management lands and military game refuge lands are distributed among counties, townships, and school districts as if they were property taxes on the land
- PILT payments for Lake Vermilion- Soudan Underground State Park are distributed 1/3 each to the county, township and school district
- All other PILT payments are distributed among counties and townships per a formula set forth in [Minnesota Statute 477A.14](#)

## How does PILT compare with property tax revenue?

Example: The DNR proposes to purchase 110 acres to use as a Wildlife Management Area

This is just one example of PILT payments. PILT payments can be higher or lower depending on the county assessed value, and the DNR's appraised value.

- The acquisition consists of 110 acres (70 acres in Stearns County and 40 acres in Kandiyohi County)
- The anticipated purchase price is \$285,670. The price paid per acre is \$2,597 (\$285,670/110)
- PILT is calculated for Stearns and Kandiyohi counties by multiplying .0075 times the value

Stearns County PILT:

70 acres proposed for purchase x \$2,597 per acre = \$180,665 for the value of Stearns County lands acquired

*Estimated annual PILT Payment* = \$180,665 x .0075 (PILT rate) = **\$1,355**

*2015 Property Tax Payment* = **\$645**

Stearns County is estimated to receive \$710 more from PILT than from property taxes.

## Contact

Katherine Giel, DNR Division of Lands and Minerals 651-259-5377, [katherine.giel@state.mn.us](mailto:katherine.giel@state.mn.us)

## Understanding Payment in Lieu of Taxes Frequently Asked Questions

**July 21, 2020**

**Q: What is Payment in Lieu of Taxes (PILT)?**

**A:** The Legislature created this local government aid program to compensate counties and other local government units for the loss of tax base from state ownership of land. It also created PILT to help the disproportionate impact of state land ownership in counties with large public-land bases. While PILT payments to counties began for some lands as early as 1933, the Legislature created the modern PILT program in 1979. The aid program is written into state statute in chapter 477A.

**Q: What are the annual state payments to counties?**

**A:** In 2020, the state paid approximately \$36 million in payments to counties. The Legislature sets PILT rates and regularly reviews the calculations used to determine the payments. The Legislature also adjusts payments upward when appropriate. In 2013, the Legislature increased PILT payments by 15.5 percent.

**Q: Does the money go to just counties?**

**A:** No, a portion of the payments go to townships for state land within their boundaries. Also, with some types of public lands, school districts also get a portion of the payments.

**Q: Does PILT adequately compensate counties for loss of tax revenue?**

**A:** Yes. The Office of Legislative Auditor concluded in 2010 that PILT payments on DNR-acquired lands were generally higher than property taxes on similar private land. At least 12 counties have passed resolutions in support of PILT.

**Q: Who makes the payments and when?**

**A:** The state Department of Revenue sends the annual payments on July 20. You can learn more about PILT on the Department of Revenue web site:

[http://www.revenue.state.mn.us/local\\_gov/prop\\_tax\\_admin/Pages/pilt.aspx](http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/pilt.aspx)

**Q: What is the range of the payments?**

**A:** In 2020, county payments ranged from \$21, 443 for Red Lake County to \$3.787 million for St. Louis County.

**Q: What kind of state lands does PILT apply to?**

**A:** PILT payments are made on many different classifications of public lands. They include DNR-acquired lands, state forests, consolidated conservation lands (known as “con-con” lands, transferred to the state early in the 1900s), state parks and recreation areas, scientific and natural areas and wildlife management areas. They are also paid on DNR-managed lands such as school. More information on this topic can be found on the Department of Revenue website.

**Q: Does the state also pay PILT for tax-forfeited lands that counties manage?**

**A:** Yes, about \$5 million annually.

**Q: Are payments made on all DNR administered state lands?**

**A:** Yes. The state pays PILT payments on all state lands, even those that would otherwise never be developed or provide private-property tax revenue (e.g., large, inaccessible peatlands).

**Q: How are payments calculated?**

**A:** Different land types have different payment rates. Payment rates are largely determined on whether the land was on the tax rolls when the state acquired it. For example, the payment for lands purchased or donated by private parties is the greater of \$5.133 per acre or  $\frac{3}{4}$  of 1 percent of the appraised value of all such lands within the county. Most lands that were acquired from other governmental entities and county administered tax forfeited land are paid at \$2 per acre.

**Q: Why do PILT payments for certain lands vary from county to county?**

**A:** It's because land values and types can vary significantly in different parts of the state. An acre of swamp in northern Minnesota will not be assessed at the same value as an acre of prairie land in the agricultural part of the state.

**Q: How often do counties re-value their lands for PILT payments?**

**A:** Every six years, counties provide the DNR updated assessed values for lands that determine PILT payments. The last reassessment took place in 2016. The next reassessment will occur in 2022.

**Q: Can counties spend the PILT payment at their discretion?**

**A:** No, distribution is governed by law and PILT is primarily used for property tax levy reduction.

**Q: Has the Legislature ever reduced or failed to fund PILT?**

**A:** No. While the Legislature has reviewed and modified the PILT laws, it has never reduced the overall payment or failed to fund PILT.

**Q: Do counties receive other payments from the state for state land?**

**A:** In many cases, they receive a share of revenue generated from state lands. For example, counties keep all revenue generated from tax-forfeited lands administered by the counties, and receive half of the gross revenue from consolidated conservation lands. Counties also receive payments from state mineral leases on tax-forfeited lands.

**Q: What is the source of PILT funds?**

**A:** PILT is paid by an open appropriation from the state's General Fund. An open appropriation means there is authority to spend an unspecified amount of resources to meet a program's objective or constitutional requirement. The General Fund is utilized for PILT payments due to the broad benefits to the state and all state citizens from public land.



## Overview of DNR's work in Minnesota

The Minnesota Department of Natural Resources operates under the Executive Branch of State Government. DNR is organized into seven distinct divisions, each containing programs with responsibilities defined by statute or rule. Some divisions receive dedicated federal and state funding tied to programs, while others are funded by Minnesota general fund dollars or specific appropriations through the state budget.

### Ecological & Water Resources:

- **Ecosystem Management and Protection:** Scientific and Natural Areas, Invasive Species, Wetland, Forest and Prairie Systems, Nongame Wildlife, Rare Resources, Native Plant Ecology, Biological Surveys and Monitoring, and Natural Heritage Information Systems
- **Conservation Assistance and Regulation:** Water Regulation, Land Use and Floodplain Management, Environmental Review, and Dam Safety
- **Inventory, Monitoring and Analysis:** Water Monitoring and Research, Stream Habitats, Clean Water Coordination and Collaboration, and Climatology
- **Strategic Information Systems:** Business Operations, Communications and Planning, and Information Technology

### Enforcement:

- **Fish and Game Protection and Education:** Recreational and Commercial Patrol, Manage Youth & Adult Hunting Safety Education Programs, Shooting Range Development
- **Recreational Safety and Enforcement:** Motorized Recreation Safety Education, Ice Safety, Life Jacket Usage, Outreach to Recreational Users/Groups
- **Natural Resource Protection:** Regulation Enforcement for Wetland Protection, Water Appropriation, Solid Waste, Timber Theft, Water & Air Quality
- **Public Safety:** Law Enforcement as Fully Licensed Peace Officers, Mutual Aid Assistance, Emergency Management, Search and Rescue

### Forestry:

- **State Land Management:** Silviculture and Reforestation, Timber Program including Marketing and Utilization, Forest Health and Terrestrial Invasive Species, Forest Roads, State Forest Lands, State Forest Nursery
- **Strategic Planning and Outreach:** Private Forest Management, Urban and Community Forestry, State Forest Nursery, Forestry Outreach and Education, Forest Policy and Planning, Climate Change, Tree Planting and Care, School Forest Program, Big Tree Registry, Project Learning Tree, Arbor Month
- **Wildfire:** Wildfire Response (Suppression) and Coordination, Incident Management and Response, Wildfire Prevention including burning permits and Firewise

## Fish & Wildlife:

- **Fisheries Management:** Lake Management Plans, Aquatic Management Areas, Lake & Stream Habitats, Creel Surveys, Population Management, Invasive Species
- **Hatcheries:** Cold & Coolwater Hatcheries, Stocking
- **Fisheries Health & Research:** Limnology, Research, Disease Management, Biotic Integrity Indexing
- **Wildlife Management:** Population Management, Hunting Seasons & Licensing
- **Habitat:** Wildlife Management Areas, Hunter Walking Trails, Forest Openings, Brushland Management, Resource Reviews
- **Wildlife Health & Research:** Disease management (chronic wasting disease, avian influenza, bovine tuberculosis, epizootic hemorrhagic disease and others), Farmland, Forest, Prairie and Wetland Wildlife Research Programs
- **Fish & Wildlife Outreach:** Information Planning & Distribution, Events Coordination & Planning, Marketing Campaigns, Recruitment & Retention, Outdoor Skills & Stewardship Series, Becoming an Outdoors Woman Program

## Lands & Minerals:

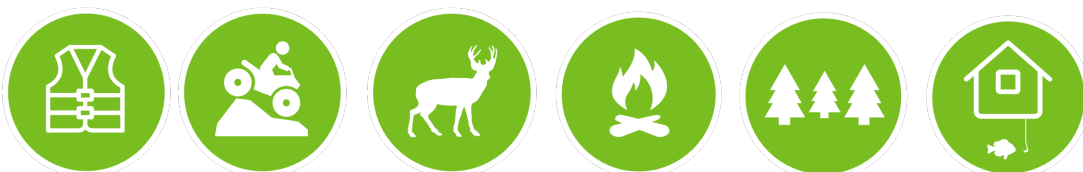
- **State Minerals Management:** Mineral Estate Mapping, Mineral Exploration and Leases, Drill Core Library, Mine Permitting, Mineland Reclamation & Research, Mine Safety
- **State Lands Management:** Land Sales and Exchanges, Non-mineral Land Leases, Utility Crossing Licenses, Conservation Easements, Strategic Land Asset Management, School Trust Lands Management (fiduciary)

## Parks & Trails:

- **State Parks & Recreation Areas:** 66 state parks, 9 state recreation areas, 9 state waysides, 43 state forest campgrounds, 29 forest day-use areas, 25 horse campgrounds, Lake Superior Safe Harbor
- **Recreational amenities:** 25 state trails, 35 state water trails, more than 3,000 public water accesses, hundreds of fishing piers and shorefishing sites
- **Recreation Management:** Grant-In-Aid Trails Programs, Trails Master Planning, Trail Grooming and Maintenance
- **Education & Outreach:** Naturalist & Interpretive Programs, Historic Buildings, I Can! Programs

## Regional Director & Commissioner's Office, Operation Services:

- **Tribal Relations**
- **Stakeholder Outreach**
- **Human Resources:** Workforce Management & Development, Volunteer Program, Training
- **Fleet, Buildings, Grounds, Safety:** Vehicle & Equipment Auctions
- **Legislative, Legal, Finance, Planning**
- **Communications:** DNR Information Center, Media Relations, Press Releases, Web Content, Social Media Platforms, Minnesota Conversation Volunteer Magazine





# Aitkin County

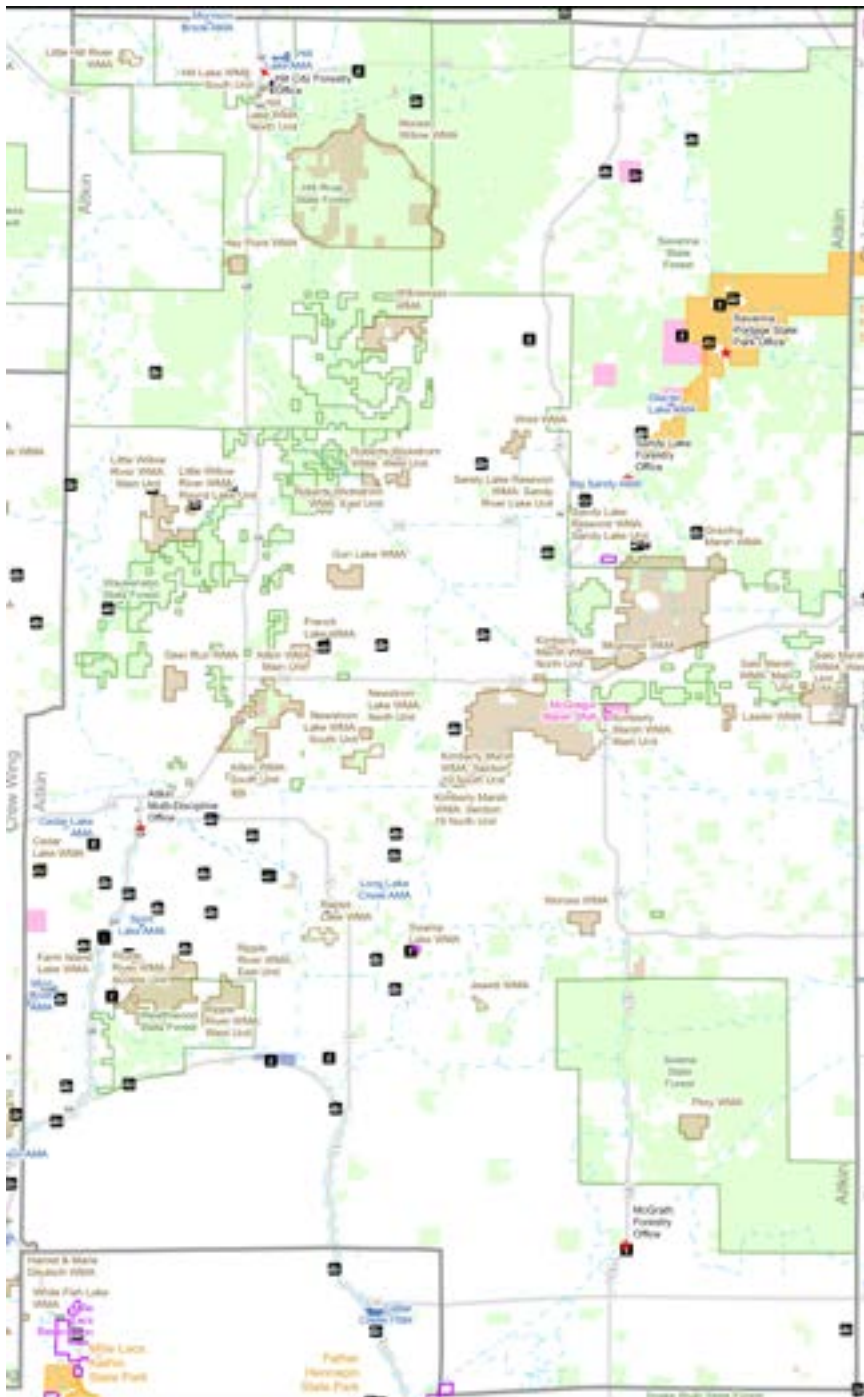
## DNR Administered Lands

Payment in Lieu of Taxes (PILT) to Aitkin County in 2022:

June 2023

# \$1,572,075.90

An overview of PILT, payment history, annual payment increases and FAQs can be found at:  
<https://www.dnr.state.mn.us/aboutdnr/legislativeinfo/pilt/index.html>



### DNR Administered Lands

-  Parks and Trails
-  Fisheries
-  Other DNR Units
-  Ecological and Water Resources
-  Forestry
-  Wildlife
-  Minnesota Snowmobile Trails



### Infrastructure Overview

Aquatic Management Areas	13
Wildlife Management Areas	27
State Forests	7
State Parks	1
Scientific & Natural Areas	1
Miles Grant-in-Aid ATV	206
Public Water Access Sites maintained by DNR (50 trailer launch, 12 carry-in)	62
Miles Hunter Walking Trails	64
Miles Grant-in-Aid Snowmobile Trails	644
Permanent DNR staff, plus seasonal workers when fully staffed	40

### By the Acre: Lands Managed by DNR

Parks and Trails (plus 10,466 acres Con Con Lands)	4,261
Ecological & Water Resources, and SNAs	411
Fisheries & Aquatic Management Areas	806
Wildlife Management Areas (plus 12,514 acres Con Con Lands)	18,465
Forestry Administered:	
- Volstead	670
- Forestry Acquired Lands	878
- Swamp Lands and School Trust	135,559
- Consolidated Conservation Lands	214,171

### Lands Deeded to the State, Managed by the County

County-managed tax-forfeit	223,334
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## Strategic Land Asset Management

### Managing your state land holdings

The DNR manages 5.6 million acres of state land on behalf of the citizens of Minnesota and is continually working to improve its land portfolio. DNR regularly evaluates the state's land holdings and looks for ways to improve habitat, conservation, and recreation. The agency strives to reduce land-management costs and find efficiencies.

### State land management goals

All potential acquisitions are screened against these six established state land management goals.

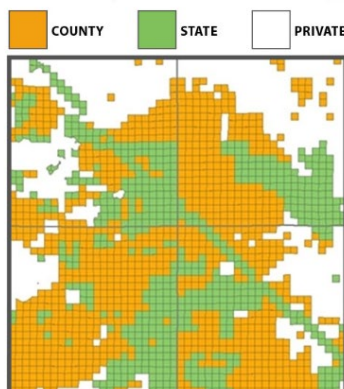
- Increase close-to-home outdoor recreation opportunities
- Protect significant and/or rare natural resources
- Protect and restore water resources
- Mitigate and adapt to climate change
- Expand access to existing land holdings
- Consolidate land ownership, creating larger, contiguous blocks of DNR lands

### Strategies we use

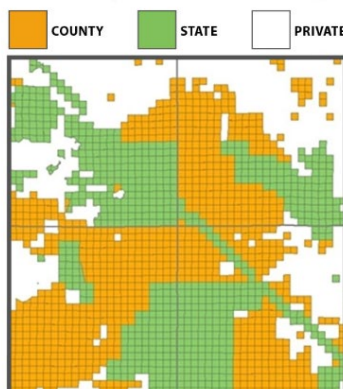
- **Hold and manage** lands that meet public recreation or conservation needs.
- **Exchange** lands with partners to consolidate and reduce the number of isolated parcels.
- **Sell** lands when they no longer meet conservation or recreation purposes and reinvest the income in better lands.
- **Purchase** new lands from willing sellers that meet state land-management goals.

We use these strategies in consultation with DNR staff, local government officials and others. The DNR's goal is to ensure public lands meet the recreational needs of Minnesota's citizens; continue to provide clean air and water, support natural resource-based economies, and maintain habitat for fish and wildlife.

**Ownership before land exchange**



**Ownership after land exchange**



Isolated land parcels are more expensive to manage than consolidated blocks of land and isolated parcels may not offer enough acreage to meet a habitat or conservation need. Consolidating DNR land holdings through land exchanges and focusing acquisitions on quality lands that reduce the number of isolated parcels is a key consideration for DNR.

## Current SLAM Acquisition Goals

### Connecting people to the outdoors through strategic management of our public lands

DNR's SLAM acquisition goals represent a holistic set of priorities the department uses to evaluate acquisition projects across all of DNR's land acquiring divisions. The DNR works to sustain the interdependent values of a healthy environment, a sustainable economy, and livable communities, and each division emphasizes specific land acquisition criteria, which may more naturally align with any of the six goals outlined below. Transactions need not, and rarely will, meet all goals. Instead, these goals support land acquisition decision-making across the portfolio of DNR land acquisitions over time. This is a living document: DNR updates SLAM acquisition goals regularly as new science becomes available.

#### Goal 1: Increase close-to-home outdoor recreation opportunities

1. **Acquisition is within 30 miles of a population center over 50,000 people; OR Parcels are located in counties with less than 5% public lands;**
2. **AND, it increases or improves recreational opportunities on DNR-administered lands.** These include parcels that directly expand hunting, fishing, camping, hiking, biking or other recreational opportunities including access to public waters.
  - a. NOTE: Parcels purchased within outdoor recreation units for direct purposes other than recreation (e.g. to eliminate a trespass or improve management access) do not meet this goal.

#### Goal 2: Protect significant and/or rare natural resources

1. **Acquisition protects existing, high quality significant or rare natural resources that fall into at least one of the following categories:**
  - a. Designated shallow lakes
  - b. Wetlands, as identified in the National Wetlands Inventory (including calcareous fens)
  - c. Threatened, endangered and special concern species (NHIS data – element occurrences)
  - d. Native prairie, the prairie subset of NPC data, or core areas of the Prairie Conservation Plan
  - e. S1 and S2 or G1 and G2 native plant communities
  - f. MBS Sites ranked as having high or outstanding biodiversity significance
  - g. Large (>80 acres) blocks of productive forestlands

#### Goal 3: Protect and restore water resources

To meet this goal, acquisition must meet one of the criteria in any of the three categories listed below.

1. **Acquisition protects and restores critical lakes, streams, wetlands and springs.** Parcel is located within at least one of the following GIS polygons:
  - a. Existing or restorable wetlands (including calcareous fens)
  - b. Identified areas of sensitive shoreline
  - c. Lakes of biological significance
  - d. Designated trout streams or trout stream tributaries
  - e. Karst feature inventory points
  - f. Minnesota spring inventory
  - g. Sensitive and/or priority water and fisheries resources (Lake Indices of Biological Integrity data layer includes fish and plant indices that are at or above the impairment threshold, or exceptional)
2. **Acquisition protects lakes and stream reaches at highest risk of becoming impaired**
  - a. It occurs in a catchment upstream of any of the priority streams in the WRAPS Stream Protection Priority data layer (includes entire catchment); or,
  - b. It occurs within a catchment, or within 1000 feet of the shoreline as a Lake of Phosphorus Sensitivity Significance ranked "highest."
3. **Acquisition protects a public water supply, particularly in high demand areas**

- a. It occurs within or immediately adjacent to a Wellhead Protection Area (WPA) or drinking water supply management area (DWSMA); or,
- b. It is located within a pilot Groundwater Management Area (GWMA).

#### Goal 4: Mitigate and adapt to climate change

To meet this goal, acquisition must meet one of the criteria in either of the two categories listed below.

- 1. Acquisition maintains or increases carbon storage, carbon sequestration and/or landscape resiliency:**
  - a. Acquisition results in conversion of land from another use to forest, prairie, wetland or other native plant community; OR,
  - b. Acquisition is at imminent or high risk of conversion to agricultural use from forest, prairie, wetland or other NPC; OR,
  - c. Acquisition results in conservation of mature forest (>120 years old); OR,
  - d. Acquisition protects land that is located in a [high soil carbon area](#) (>1 SD above the mean of soil carbon map).
- 2. Acquisition will create significantly larger blocks of habitat or natural intact communities, improve riparian and terrestrial connectivity or maintain ecosystem services through protection of climate resilient, high biodiversity areas:**
  - a. The parcel will increase the size of an existing contiguous complex of protected lands by at least 10%.
  - b. Parcel is located in an [SNA Conservation Prioritization \("Marxan"\) Map](#) "Medium," "High" or "Very High" priority area AND it has a better than average resiliency rating via the [TNC Resilient Lands Mapping tool](#); OR
  - c. Parcel is located in a [Wildlife Action Plan](#) priority area AND it has a better than average resiliency rating via the [TNC Resilient Lands Mapping tool](#); OR
  - d. Parcel is located in a [Prairie Plan](#) core or strategic habitat complex AND it has a better than average resiliency rating via the [TNC Resilient Lands Mapping tool](#); OR,
  - e. Parcel is located in the [Pheasant Action Plan](#) or, as it is updated, Duck Action Plan areas AND, it has a better than average resiliency rating via the [TNC Resilient Lands Mapping tool](#).

#### Goal 5: Expand access to existing land holdings

- 1. Acquisition provides new or additional access to existing DNR-administered lands, through easement or fee title transaction, to either:**
  - a. expand the public's ability to access existing public lands; or,
  - b. improve DNR's ability to manage existing landholdings.

#### Goal 6: Consolidate land ownership, creating larger, contiguous blocks of DNR lands

- 1. Acquisition is within the statutory or management boundary of existing DNR-administered units; OR,**
- 2. Acquisition completes critical trail corridor connections between existing holdings; OR,**
- 3. Acquisition shares a boundary with existing DNR-administered lands; OR,**
- 4. Acquisition reduces the boundary feet of a unit.**