

Minutes
Legislative Audit Commission
April 25, 2025

Members Present:

Senator Calvin K. Bahr
Senator Steve S. Drazkowski
Senator Mark W. Koran
Senator Ann H. Rest
Senator Tou Xiong
Representative Patti Anderson
Representative Rick Hansen
Representative Steven Jacob
Representative Fue Lee
Representative Duane Quam

Members Absent:

Senator D. Scott Dibble
Representative Emma Greenman

Other Legislators Present:

Senator Steven Green

In the absence of Senator Ann H. Rest, Chair, the Legislative Audit Commission (LAC) meeting was called to order at 9:00 a.m. by Representative Patti Anderson. The purpose was to hear findings and recommendations from the Office of the Legislative Auditor's (OLA's) evaluation report, *Department of Natural Resources Land Acquisition*.

Representative Anderson introduced from OLA Jodi Munson Rodríguez, Deputy Legislative Auditor, and Sarah Delacueva, Evaluation Manager. Ms. Munson Rodríguez provided opening remarks saying that Minnesotans have voted several times to dedicate tax funds to the protection and conservation of the state's land and other natural resources, and that the Department of Natural Resources (DNR) is tasked with acquiring land for these purposes. She then introduced Ms. Delacueva to present further.

Ms. Delacueva said that DNR generally complied with statutory requirements for the land acquisition process but did not fully comply with two reporting requirements. OLA surveyed stakeholders who indicated that overall, DNR does a good job selecting land to acquire but that the process to acquire land takes too long. Ms. Delacueva illustrated that Minnesota has 51 million acres of land within its borders, with about 11 percent owned by state government, nearly three-quarters owned by private individuals or entities, and the remainder owned by county, federal, and Tribal governments. From fiscal years 2020 to 2024, DNR closed on 234 total acquisitions, of which 110 were DNR-led and 124 were partner-led.

Ms. Delacueva said that statutes related to the land acquisition process have not been amended in decades and reflect a time before partner organizations played such a large role. This leaves it to DNR's discretion to hold partner organizations to the same standards DNR must meet when acquiring land. For example, unlike DNR, partner-led organizations do not need to have county board approval for acquisitions; statutes only require them to notify counties 30 days in advance of the closing. OLA recommends the Legislature consider whether statutes should establish the same requirements for DNR- and partner-led acquisitions.

Also, statutes require DNR to report on a biennial basis an inventory of DNR-managed land, highlighting recent acquisitions since the last report, which has been a requirement since at least the 1970s, but DNR has never submitted such a report to the Legislature. Statutes also require DNR to submit a report about the transactions from the Land Acquisition Account annually. DNR last submitted this information for Fiscal Year 2022, but as a summary, which did not satisfy the requirement of indicating all purchases and sales from the account. OLA recommends DNR should regularly produce these reports in a manner that satisfies requirements in law or work with the Legislature to suggest appropriate changes.

Chair Rest introduced from DNR Bob Meier, Assistant Commissioner, and Kerstin Larson, Strategic Land Asset Management Supervisor, Lands and Minerals Division. Mr. Meier said that DNR was not going to weigh in presently on a requirement to have partner-led organizations get county board approval. He said for the land inventory reporting requirements, DNR believes that these requirements were met in other reports DNR produces, and DNR currently has language in Senate File 2077 to repeal the requirement for this report and looks forward to working with the Legislature to come up with a better reporting mechanism. He said that DNR plans to have their land acquisition report to the Legislature by October 2025.

Chair Rest asked members for discussion. Members asked DNR for more information as to why the mandated land inventory report has never been produced. In further discussion, members suggested that Minnesotans would like to know trends in acquisitions, who is paying for the land, what land categories acquisitions fit in, etc., and that rather than repeal reporting, DNR should find a way to make a useful, ongoing report. Members also suggested that more accurate, transparent data could help the Legislature make better budgeting decisions, and that they would appreciate having a historical view of purchases in their districts, knowing what percentage of partner organizations' purchases are made with private dollars, and seeing DNR's overall priorities for land acquisitions.

With no further discussion, Chair Rest adjourned the meeting at 10:30 a.m.

Senator Ann H. Rest, Chair

Maureen Garrahy, Recording Secretary