

SF3704 - 1E - Conveying Interests in Lands

Chief Author: **Carrie Ruud**  
 Committee: **Environment And Natural Resources Finance**  
 Date Completed: **3/22/2022 10:59:22 AM**  
 Agency: **Natural Resources Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Land Acquisition	-	-	(1,616)	-	-	-
<b>Total</b>	-	-	<b>(1,616)</b>	-	-	-
<b>Biennial Total</b>			<b>(1,616)</b>			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Land Acquisition	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Jim Carlson      **Date:** 3/22/2022 10:59:22 AM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
Land Acquisition	-	-	(1,616)	-	-	-
<b>Total</b>	-	-	<b>(1,616)</b>	-	-	-
<b>Biennial Total</b>			<b>(1,616)</b>			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Land Acquisition	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
Land Acquisition	-	-	1,616	-	-	-
<b>Total</b>	-	-	<b>1,616</b>	-	-	-
<b>Biennial Total</b>			<b>1,616</b>			-

**Bill Description**

This is the DNR's Lands Bill.

Sec. 1. Amends Minn. Stat. § 84.63 to allow the commissioner of natural resources to assume the application fee and waive or assume some or all of the remaining fees or costs imposed under this section upon the applicant for an easement (the United States, a federally recognized Indian Tribe, or the state of Minnesota or any of its subdivisions) when the commissioner determines that issuing the easement across state land will benefit the state's land management interests.

Sec. 2. Amends Minn. Stat. § 84.631 to allow the commissioner of natural resources to assume the application fee and waive or assume some or all of the remaining fees or costs imposed under this section upon the applicant for an easement (a private person) when the commissioner determines that issuing the easement across state land will benefit the state's land management interests.

Sec. 3. Amends Minn. Stat. § 84.632 to allow the commissioner of natural resources to assume the application fee and waive or assume some or all of the remaining fees or costs imposed under this section upon a landowner who requests the release of an easement acquired by the state when the commissioner determines that the requested easement release will benefit the state's land management interests.

Sec. 4. Amends Minn. Stat. § 92.502 to clarify that 30-year leases of DNR facilities are permitted even if they are not associated with recreational trails.

Sec. 5. Amends Minn. Stat. § 282.04, subd. 1(d) to extend a county auditor's authority to lease tax-forfeit land for use specified in subd. 1(d) from ten years to twenty-five years. It also amends subd. 1(d) to require that leases involving a consideration of more than \$50,000 (instead of the current \$12,000) shall first be offered at public sale. It also add new subd. 1(k) which provides that the county auditor may lease tax-forfeit land under the terms and conditions prescribed by the county board for the purpose of investigating, analyzing, and developing conservation easements that provide ecosystem services.

Sec. 6. Amends Minn. Stat. § 282.04, by adding new subd. 4(b) which provides that the county auditor, with prior review and consultation with the commissioner of DNR and under the terms and conditions prescribed by the county board, including reversion in the event of nonuse, may convey certain conservation easements on tax-forfeit lands.

Sec. 7. Adds 11.50 acres to the boundary of Myre-Big Island State Park, Freeborn County.

Sec. 8. Deletes 7,482 acres from the boundary of Cloquet Valley State Forest, St. Louis County. The deleted acres have been designated as portions of the Riverlands State Forest, St. Louis County.

Sec. 9. Adds 121.5 acres to Riverlands State Forest, St. Louis County.

Sec. 10. Authorizes the public sale of 29.6 acres of surplus riparian state land in Cass County.

Sec. 11. Authorizes the public sale of 9.53 acres of surplus riparian state land in Fillmore County.

Sec. 12. Authorizes Goodhue County to sell certain tax-forfeit lands by private sale to a local unit of government for no consideration.

Sec. 13. Authorizes the private sale of approximately .55 acres of surplus riparian state land in Hennepin County to a local unit of government for less than market value.

Sec. 14. Authorizes the public sale of 59.0 acres of surplus riparian state land in Itasca County.

Sec. 15. Authorizes the private sale of 30.38 acres of surplus riparian state land in Lake County to the city of Two Harbors for no consideration.

Sec. 16. Authorizes the private sale of 2.0 acres of surplus state land in Pine County.

Sec. 17. Authorizes St. Louis County to exchange lands within 20 government sections within the county.

Sec. 18. Authorizes St. Louis County to deposit proceeds from the sale of tax-forfeited lands into a land acquisition trust fund established by St. Louis County and authorizes St. Louis County to spend the principal and interest from the fund on the purchase of lands better suited for retention and management by the county. Lands purchased with the trust funds must be subject to a trust in favor of the governmental subdivision where the lands lie and all laws related to tax-forfeit lands and be used for forestry, mineral management, or environmental services.

Sec. 19. Authorizes St. Louis County to sell one parcel and part of another parcel of certain tax-forfeit lands by private sale.

Sec. 20. Authorizes the private sale of .05 acres of surplus riparian state land in Sherburne County for less than market value.

Sec. 21. Repeals Laws 2012, chapter 236, section 28, subdivision 9, as amended by Laws 2016, chapter 154, section 11, and Laws 2019, First Special Session chapter 4, article 4, section 7. The repeals the expiration date for authority for St. Louis County to sell certain tax-forfeit leased lands as authorized by Laws 2012, chapter 236, section 28.

### **Assumptions**

Authorizing the DNR to cover some or all of the fees or costs imposed on an applicant in connection with applications for easements or easement releases will have small fiscal impacts, but the amounts are unknown. It is expected that the option to cover fees and costs will only rarely be used.

The DNR will offer surplus state lands in Cass, Fillmore and Itasca Counties by public sale in FY23, but it is unknown whether the parcels will sell. The DNR expects the private sales in Hennepin, Pine and Sherburne Counties to be completed in FY23. The following table shows current estimated values of the public and private sale parcels.

### **Expenditure and/or Revenue Formula**

Sec. 10, Cass County Public Land Sale*	\$229,400
Sec. 11, Fillmore County Public Land Sale*	\$38,500
Sec. 13, Hennepin County Private Land Sale	\$0
Sec. 14, Itasca County Public Land Sale*	\$1,343,900

Sec. 15. Lake County Private Land Sale	\$0
Sec. 16, Pine County Private Land Sale	\$3,000
Sec. 20, Sherburne County Private Land Sale	\$1,000
Total	\$1,615,800

\* Estimated values of the Cass, Fillmore and Itasca parcels are based on current county assessed values. The DNR expects to conduct appraisals of these parcels before offering them for sale, which may result in substantial changes to the values.

No other fiscal impacts are anticipated for the remaining sections of the Lands Bill.

**Long-Term Fiscal Considerations**

There will likely be minimal long-term fiscal impacts from the amendments to Minnesota Statute sections 84.63, 84.631, and 84.632.

**Local Fiscal Impact**

Section 12 authorizes Goodhue County to sell certain tax-forfeited lands by private sale to a local unit of government for no consideration. Therefore the total estimated value of said is expected to be \$0.

Section 19 authorizes St. Louis County to sell certain tax-forfeited lands by private sale, which may result in revenues to St. Louis County of the estimated value of \$32,600 (parcel tax identification number 010-0230-03300) and \$3,200 (portion of parcel tax identification number 430-0010-02916).

Sections 5, 6, 17, 18, and 21 may have some local fiscal impact but the impact is unknown.

**References/Sources**

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