



# Saint Louis County

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March 28, 2025

**Michael A. Jugovich**  
County Commissioner

Senate Taxes Committee  
Senator Ann Rest, Chair  
Senator Matt Klein, Vice-Chair  
Senator Bill Weber, Ranking Minority Member

***SENT VIA E-MAIL***

RE: State Payment in Lieu of Taxes (PILT)

We write to express our opposition to the proposed cuts to State Payment in Lieu of Taxes (PILT) as proposed in the "Changes to Governor's Original General Fund Recommendations." The impact to St. Louis County alone would be approximately \$1.9 million, more than an entire levy point. Additionally, a decrease across the board in PILT disproportionately impacts counties with large public land holdings, specifically northeastern Minnesota.

Over 36% of St. Louis County land, 1.5 million acres, is held as State Natural Resource Land. This doesn't include an additional approximately 30% of (nontaxable) Federal and Tribal lands. PILT funding helps reduce local property tax impacts. The public land base of northeastern Minnesota serves as a treasured landscape, home to many seasonal and recreational properties.

State PILT is crucial funding and has helped counties grapple with the predominance of state held property, including state parks, wildlife management areas, school and university trust lands, and tax forfeited land within each county. Each of our counties provides essential services to these state lands, including road access, solid waste, law enforcement, search and rescue, forest management, and other vital services.

It is interesting to note that approximately 95% of State PILT land exist in just 20 counties in the northern one-third of Minnesota. In just the counties in the Arrowhead counties (St. Louis, Koochiching, Itasca, Lake County, Cook), the proposed reduction in PILT totals almost \$5 million. The current PILT monies received does not reflect the full value of these lands, specifically the lakeshore value, which is why counties are pursuing fair compensation for the value of these public land holdings. Again, this action of reducing PILT funds will have a much larger impact to these counties who are charged with providing services to these lands that support recreation, tourism, and natural resources that benefit the entire state and region.

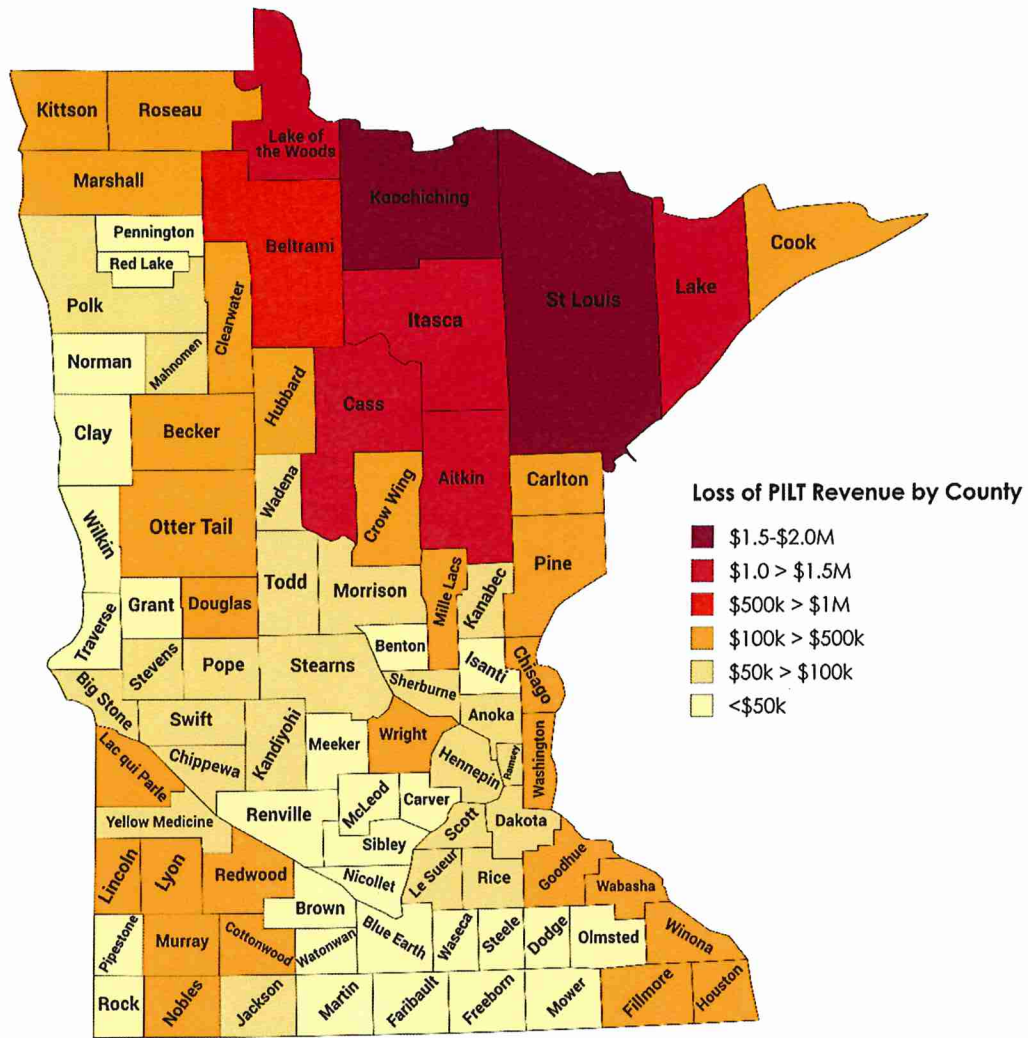
In closing, we sincerely ask that you revisit this proposal to make drastic reductions to PILT supports and, at a minimum, respect the disproportionate impacts to large public land holding counties.

Sincerely,

Commissioner Michael Jugovich  
Environment and Natural Resources Chair  
St. Louis County Board

**"Working Together, Serving People"**

# Proposed 34% Cut to PILT by County



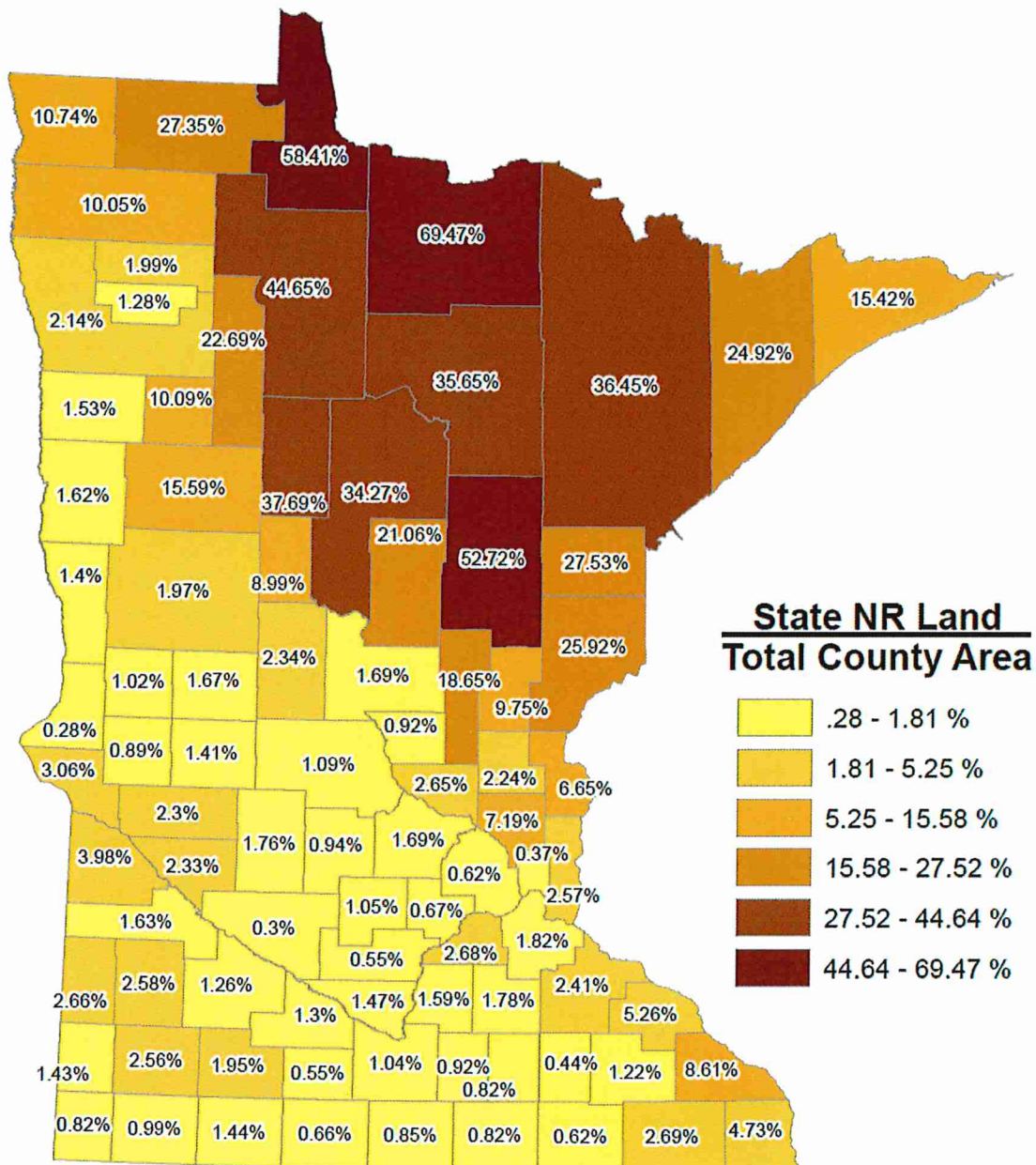
	Total PILT Acres	% Total County Acres	Total Appraised Value*	2024 PILT	Proposed PILT per Gov. Proposal	Loss of PILT
St. Louis County	1,459,331	36%	\$ 106,526,406.00	\$ 5,513,019.02	\$ 3,638,592.55	\$1,874,426.47
Koochiching	1,382,470	70%	\$ 12,614,873.00	\$ 4,444,812.59	\$ 2,933,576.31	\$1,511,236.28
Itasca	625,393	37%	\$ 52,664,500.00	\$ 2,305,649.04	\$ 1,521,728.37	\$ 783,920.67
Lake County	339,397	25%	\$ 73,100,100.00	\$ 1,565,769.14	\$ 1,033,407.63	\$ 532,361.51
Cook	145,238	16%	\$ 21,374,600.00	\$ 576,931.05	\$ 380,774.49	\$ 196,156.56
Total	3,951,828		\$ 266,280,479.00	\$ 14,406,180.84	\$ 9,508,079.35	\$4,898,101.49

\*does not include appraised values for County Administrated Lands (TF), DNR Administrated ConCon or Non-ConCon Lands

Source: <https://www.revenue.state.mn.us/sites/default/files/2024-10/pilt-bycounty-10-25-24.pdf>



## State Natural Resource (NR) Land vs. Total Land Area in County



Source: MNDNR "PILT Presentation\_March 2023 MACLC"