



Natural Resources Fund

Fiscal Year 2020-21 Biennial Report

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Introduction

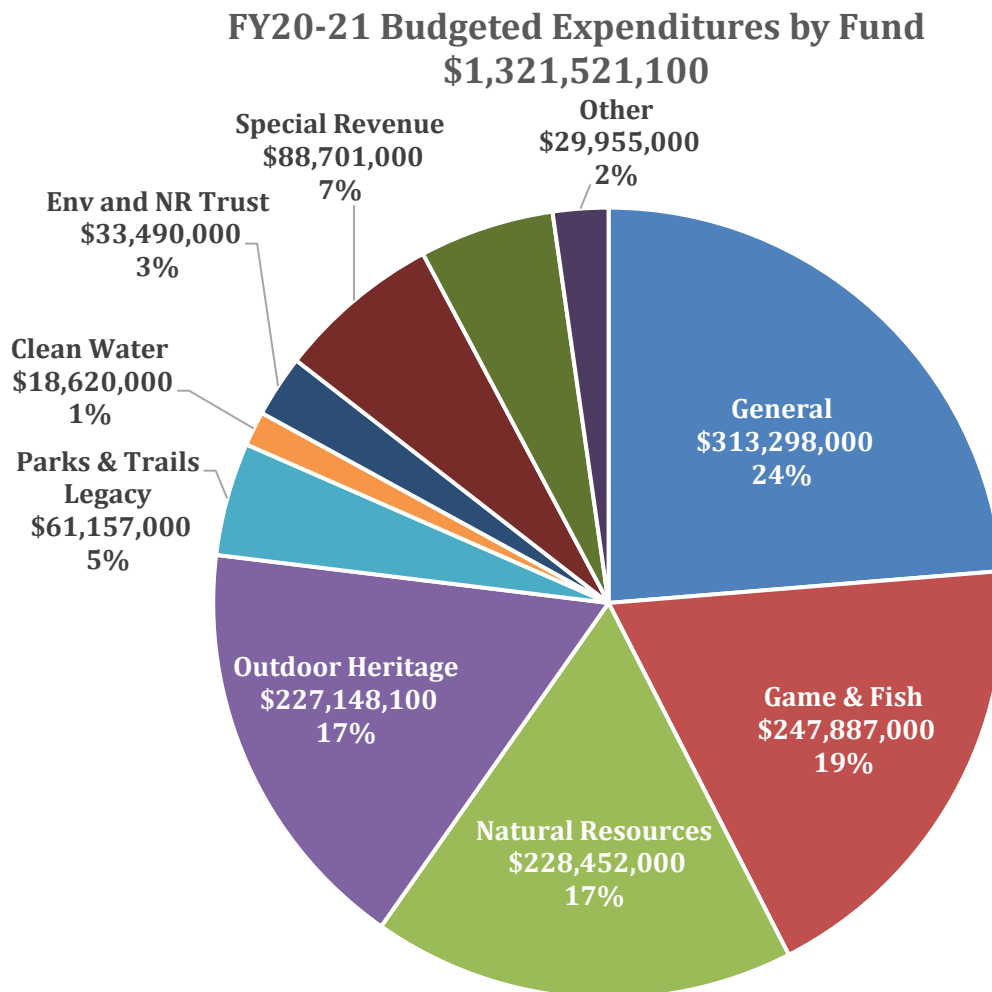
This report outlines general information about the Natural Resource Fund including its history, funding structure, and overview of revenues and expenditures. It concludes with detailed information about each of the accounts including brief overviews, sources and uses of the funds, account forecast analysis, FY2020-21 accomplishments, and links to additional resources.

Creation and Purpose of the Fund

The Legislature created the Natural Resources Fund (NR) in the state treasury in 1989 as a Special Revenue Fund for deposit of certain receipts from fees and services associated with natural resource management by the state. (M.S. 16A.53, subd. 2) Special Revenue Funds are dedicated to a variety of purposes specified in the legislation. The Department of Natural Resources (DNR) is the primary user of the fund. In general, fees collected for certain activities are used for operations of our programs, maintenance and development of our statewide natural resources and recreations systems. Revenues also support the enforcement of the state's natural resource laws related to the activities funded through the NR fund.

Natural Resources Fund within the DNR's Funding Structure

The DNR's total budget for FY2020-21 was \$1.3 billion, of which the Natural Resources Fund represented 17 percent (\$228.5 million).



Accounts in the Natural Resources Fund

The Natural Resources Fund is made up of accounts dedicated for a specific purpose. These accounts are broken down separately in this report and also briefly described on the next two pages along with other activities or programs that are supported by multiple accounts within the fund (Electronic Licensing System and Conservation Corps Minnesota):

Sources and Uses of the Natural Resources Fund Accounts

Account Name	Sources and Uses of the Account Funding
All-Terrain Vehicle Account (ATV)	<ul style="list-style-type: none"> Revenues include fees from registration of all-terrain vehicles, non-resident state trail passes, unrefunded gasoline taxes, and ATV safety training fees. Funds pay for acquisition, maintenance, and development of ATV trails and enforcement activities. (M.S. 84.927).
Off-Highway Motorcycle Account (OHM)	<ul style="list-style-type: none"> Revenues include fees for registration of off-highway motorcycles and unrefunded gasoline tax attributable to off-highway motorcycle use. Funds pay for administration, enforcement, and acquisition, maintenance and development of off-highway motorcycle trails. (M.S. 84.794).
Off-Road Vehicle Account (ORV)	<ul style="list-style-type: none"> Revenues include fees for the registration of off-road vehicles, non-resident state trail passes and the unrefunded gasoline tax attributable to off-road vehicles use. Funds pay for administration, enforcement, and acquisition, maintenance and development of off-road vehicle trails. (M.S. 84.803).
Cross-Country Ski Account	<ul style="list-style-type: none"> Revenues include fees from cross-country ski passes. Funds pay for grants-in-aid for cross-country ski trails sponsored by local units of government and special park districts. (M.S. 85.43)
Forest Management Investment Account (FMIA)	<ul style="list-style-type: none"> Revenues include timber sales from consolidated conservation area lands and state forest lands. Funds pay for reforestation and timber stand improvement including forest pest management, timber sales administration and costs, and state forest road maintenance. (M.S. 89.039, 89.035)
Invasive Species Account	<ul style="list-style-type: none"> Revenues include surcharges on watercraft licenses, non-resident fishing licenses, and civil penalties for violations, and service provider permits. Funds pay for management of invasive species programs including control, public awareness, law enforcement, assessment, monitoring, management planning, and research. (M.S. 84D.15)
Land Acquisition Account	<ul style="list-style-type: none"> Revenues include easements on DNR lands, sale of land, sale of standing timber, leases on wild rice farming and interest. Account is used for the acquisition of natural resource lands within the outdoor recreation system. (M.S. 94.165)
State Land and Water Conservation (LAWCON) Account	<ul style="list-style-type: none"> Federal grant reimbursement funds that are received under the Land and Water Conservation Fund Act. Half is distributed for projects of local units of government and half is distributed to the state for land acquisition and development of the state outdoor recreation system and for administrative expenses necessary to maintain the state's eligibility for the program. (M. S. 84.0264)
Lottery in Lieu (State Parks and Trails Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for state parks and trails. (M. S. 297A.65, 297A.94 (e) (2))
Lottery in Lieu (Local Trails Grants Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for local trail grants. (M.S. 297A.65, 297A.94 (e)(4))

Account Name	Sources and Uses of the Account Funding
Lottery in Lieu (Metro Parks and Trails Account)	<ul style="list-style-type: none"> • Revenues include lottery payments in lieu of sales tax on lottery tickets. • Funds are used for metropolitan park and trail grants. (M.S. 297A.65, 297A.94(e)(3))
Lottery in Lieu (Zoos Account)	<ul style="list-style-type: none"> • Revenues include lottery payments in lieu of sales tax on lottery tickets. • Funds are used by the Minnesota Zoological Garden, Como Zoo and Conservatory, and Duluth Zoo. (M.S. 297A.65, 297A.94 (e) (5))
Minerals Management Account	<ul style="list-style-type: none"> • Revenues include mineral lease income related to management of the state's mineral assets. • Funds are spent for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities. (M.S. 93.2236, 93.22)
Mining Administration Account	<ul style="list-style-type: none"> • Revenues consist of mining administrative fees charged to owners, operators, or managers of mines. • Funds pay for costs of providing and monitoring permits to mine. (M.S. 93.481, subd 7)
Natural Resources Misc. Statutory Account (Dedicated Receipts Account)	<ul style="list-style-type: none"> • Account includes various dedicated revenues within the Natural Resource Fund for which the appropriations are statutory – burning permits account, forest bough account, forest resource assessment products and services account, and land management account. • Sources and uses of the funds are specified in the individual statutes for the component accounts. (M.S. 88.17, 88.6435, 89.421, 92.685, 103G.301)
Nongame Wildlife Management Account	<ul style="list-style-type: none"> • Revenues are from the check-off on income tax and property tax refund claim forms. • Funds pay for non-game wildlife programs. (M. S. 290.431)
Snowmobile Trails and Enforcement Account	<ul style="list-style-type: none"> • Revenues include fees for registration of snowmobiles, issuance of snowmobile state trail stickers, unrefunded gasoline tax, and training fees. • Funds pay for snowmobile programs and acquisition, maintenance and development of trails, training, and enforcement. (M. S. 84.83)
State Parks Account	<ul style="list-style-type: none"> • Revenues include fees for camping, state park permits, and facility rentals. • Funds pay for operation and maintenance of the state park system. (M. S. 85.055)
Water Management Account	<ul style="list-style-type: none"> • Revenues include fees from permit application fees, water use fees, field inspection fees, penalties, and other receipts according to sections 103G.271 and 103G.301. • Funds in the water management account may be spent only for the costs associated with administering (M.S. 103G.27).
Water Recreation Account	<ul style="list-style-type: none"> • Revenues include fees for titling and licensing watercraft, mooring, and sale of marine gas at state-operated small craft harbors and mooring facilities, unrefunded gasoline tax attributable to boating, fees for permits to control or harvest aquatic plants. • Funds pay for water recreation programs such as acquisition, development and maintenance of public water access and boating facilities on public waters, lake and river improvements; maintenance, operation, replacement, and expansion of small craft harbors and mooring facilities, water safety programs, management of aquatic invasive species and aquatic plants. (M.S. 86B.706)

Electronic Licensing System (ELS)

DNR maintains an Electronic Licensing System (ELS). Issuing fees charged on the sales of licenses, permits, and registrations support licensing activities and maintain the system.

DNR deposits the money in the Natural Resource Miscellaneous Statutory Account. The total ELS expenditures for FY2020-21 from the Natural Resources Fund account were \$2,145,269 and the total revenues were \$1,778,220.

Conservation Corps Minnesota

The DNR has worked with Conservation Corps Minnesota (formerly Minnesota Conservation Corps) for 40 years to preserve and improve the natural resources of the State of Minnesota. This organization, which began in 1981, restores natural resources, conserves energy, responds to emergencies, and offers programs for youth and young adults.

For the FY20-21 biennium, Conservation Corps Minnesota received \$490,000 each year from various Natural Resources Fund accounts. In calendar years 2019 and 2020, Conservation Corps engaged 516 AmeriCorps members and 199 youth in natural resource and energy conservation projects across Minnesota to support the following DNR activities:

- Water Recreation Account, \$25,000 each year – 3,246.5 hours developing and maintaining public access and boating facilities on public waters, lake and river improvements, watercraft safety, and exotic species inspections and control;
- ATV Account, \$50,000 each year – 2,543.5 hours developing, constructing and maintaining state trail, education and technical skills training;
- State Parks Account, \$125,000 each year – 13,292.5 hours developing water access sites within state parks, exotic and invasive species management, and non-motorized trail improvement and maintenance;
- Snowmobile Account, \$75,000 each year – 4,045.5 hours designing, constructing, maintaining, training and grooming state trails;
- State Park/Trails Lottery In Lieu Account, \$50,000 each year – 3,736 hours maintaining and operating state parks and trails;
- Aquatic Invasive Species Account, \$40,000 each year – 0 hours for the management of invasive species;
- FMIA Account, \$60,000 each year – 3,445 hours in forest management activities;
- OHM Account, \$10,000 each year - 712 hours spent on acquisition, maintenance and development of off highway motorcycle trails and use areas;
- ORV Account, \$30,000 each year - 84 hours spent on acquisition, maintenance and development of off-road vehicle trails and use areas;
- Cross Country Ski Account, \$15,000 each year – 985 hours spent on development and maintenance of state cross-country ski trails;
- Parks and Trails Horse Trails (Natural Resources Misc. Statutory Account), \$10,000 each year – 1,310.75 hours spent on acquisition, maintenance and development of horse trails and use areas.

Unrefunded Gas Tax Revenue

With the broader goal that the unrefunded gasoline proceeds should support programs related to non-highway gasoline use, the DNR receives a portion of the unrefunded gasoline tax. Since 1961, these proceeds have supported the state’s recreational motorized vehicle activities.

The Minnesota Department of Transportation (MnDOT) transfers to the DNR, twice annually, the estimated portion of the unrefunded gasoline tax that was used by boaters, snowmobiles, and all-terrain vehicles. The amounts are transferred to several accounts in the Natural Resources Fund based on a formula written in statute (296A.18). As the table shows, approximately 2.98 percent of unrefunded gasoline tax revenues – the portion attributed to use by boaters, snowmobile, and ATVs – are transferred into natural resources accounts and are appropriated annually for the purposes described in law.

Distribution of Unrefunded Gas Tax Revenues

Account	Portion of unrefunded gasoline tax transferred to the account	To be used for
Water Recreation	1.50%	Acquisition, development, maintenance, and rehabilitation of sites for public access and boating facilities on public waters; lake and river improvement; and boat and water safety
Snowmobile	1.00%	To fund snowmobile programs and the maintenance and development of snowmobile trails
All-Terrain Vehicle	0.27%	Maintenance and development of ATV trails
Off-Highway Motorcycle	0.046%	Maintenance and development of OHM trails
Off-Road Vehicle	0.164%	Maintenance and development of ORV trails
Total of Unrefunded Gas Tax Revenues	2.98%	

Police State Aid Revenue

The DNR receives police state aid to apply to the employer’s contribution to law enforcement (conservation officers) pensions. Tax receipts from a surcharge on auto insurance gross premiums determine the amount of the aid.

In FY2020-21, the Natural Resource Fund received \$667,077. This amount was apportioned to the Water Recreation, Snowmobile, All-Terrain Vehicle, Off-Highway Motorcycle, Off-Road Vehicle and State Park accounts based on the amount of Conservation Officers’ salaries paid from each account.

Interest Earnings (M.S. 16A.72)

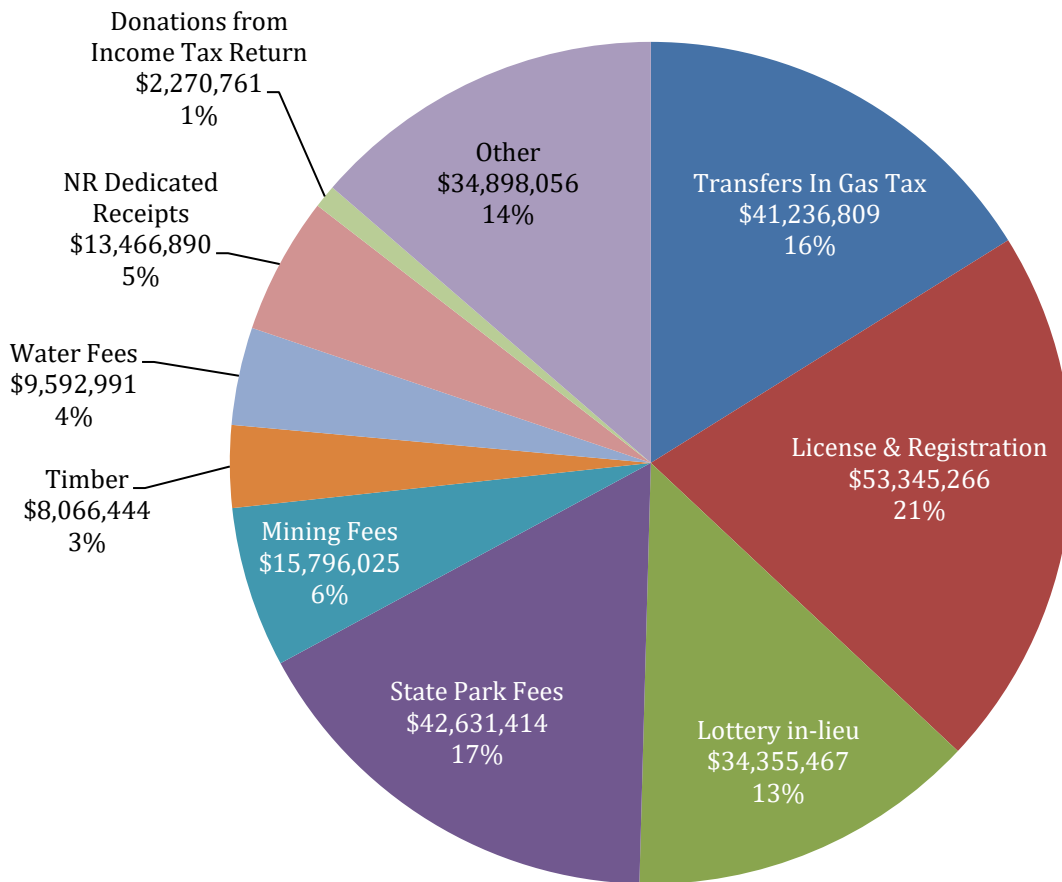
Minnesota statutes allow interest earnings to be earned on balances in several DNR funds and accounts. Interest is credited to the fund or account and available for appropriation for the purpose for which it was received. The Natural Resources Fund earns interest on donations, gifts, snowmobile receipts, and receipts deposited in the minerals management account, mining administration account, and forest management investment account. The interest earned for 2020-21 was \$554,588.

Natural Resource Fund Revenues for Fiscal Year 2020-21

In FY2020-21, the DNR collected \$255,660,122 in total revenue in the Natural Resource Fund.

The largest sources of revenues are gas and lottery taxes, licenses and registrations, state park fees, mining fees, and water fees. Unrefunded gasoline tax revenues attributable to certain types of vehicles used in recreation activities comprise the largest amount of Other Receipts (transfers in). For details, see individual funds.

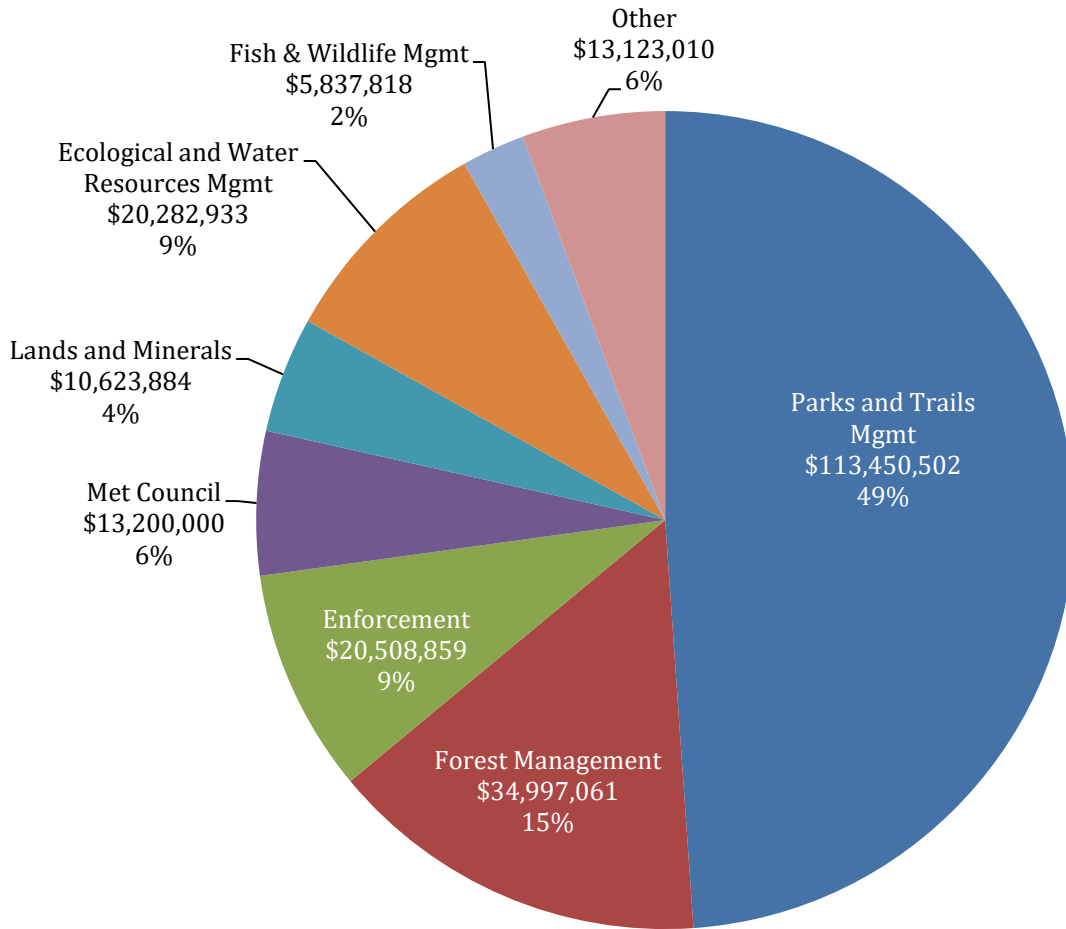
**FY2020-21 Receipts and Transfers In
\$255,660,122**



Natural Resource Fund Expenditures for Fiscal Year 2020-21

In FY2020-21, the DNR spent \$232,024,067 in total expenditures and transfers out of the Natural Resource Fund. The Division of Parks and Trails spent most of these funds.

FY 2020-21 Uses \$232,024,067



Contacts

For additional information about the Natural Resources Fund, contact the DNR:

[Email the DNR](#)

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Location:

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St. Paul, MN 55155-4040

All-Terrain Vehicle Account (ATV)

Brief Overview

- Governing statutes: M.S. 84.773 to 84.781
- Year established: 1984
- Registered all-terrain vehicles in MN: 310,000
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

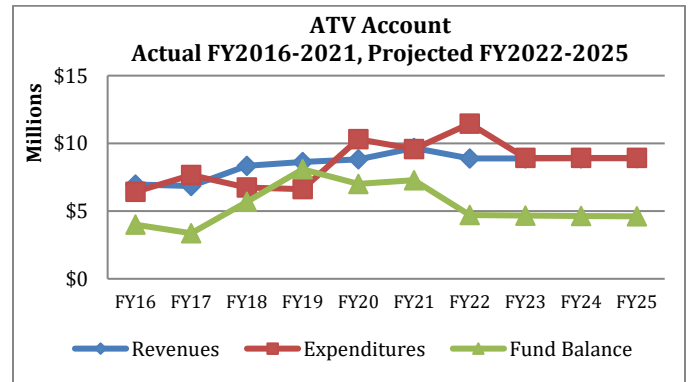
Fees from the registration of all-terrain vehicles and non-resident state trails passes, the unrefunded gasoline tax attributable to ATV use, and the net proceeds from the sale of ATVs forfeited for certain violations of statutes under M.S.84.927 and M.S. 169A.63 are the main sources of funding in the ATV account. Funds in the ATV Account may be used, within guidelines of the Statewide Comprehensive Outdoor Recreation Plan, only for:

- Acquisition, maintenance, and development of trails and use areas;
- Administration, enforcement, and implementation of applicable statutes;
- Grant-in-aid programs to counties and municipalities to construct and maintain ATV trails and use areas, and grants to local safety programs;
- Education and training program;
- Enforcement and public education grants to local law enforcement agencies; and
- Maintenance of certain forest roads that are part of a designated trail system.

Financial Summary	FY20	FY21
Beginning fund balance	\$8,087,235	\$7,004,737
Prior year adjustments	\$406,489	\$228,424
Revenues		
ATV Registration	\$6,606,177	\$7,689,208
Misc Receipts	121,408	113,460
Unrefunded gasoline tax & police state aid	<u>\$2,092,212</u>	<u>\$1,854,476</u>
Total Revenues	\$8,819,798	\$9,657,144
Expenditures		
Parks and Trails Mgmt	\$6,830,169	\$6,226,809
Enforcement	3,276,663	3,113,043
Fish and Wildlife	103,540	151,319
Conservations Corps MN	50,000	50,000
Statewide Indirect	48,412	70,512
Total Expenditures	\$10,308,784	\$9,611,684
Ending fund balance	<u>\$7,004,737</u>	<u>\$7,278,622</u>
Net change	(\$1,082,498)	\$273,885

Forecast

Major revenues to this account are ATV registrations (77%) and unrefunded gasoline taxes (20%). The fund balance declines from a high in FY19 and is projected to be flat through the next two biennia.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

- The Enforcement Division provided approximately 40,117 hours of enforcement, education, and safety training activities.
- Enforcement’s Safety Training Section recruited and trained additional volunteers for the ATV Safety and Trail Ambassador programs, bringing the total number of ATV Instructors to 1,242 and Trail Ambassadors to 177. The ATV Safety training program certified 4,326 students. There were 232 new ATV Instructors in FY20-21.
- The Division of Parks and Trails developed, monitored, and maintained about 385 miles of ATV unit trails in state forests, state trails and the Iron Range OHV State Recreation Area. The Grant-in-Aid (GIA) system contributed approximately another 2,255 miles on a mix of DNR, other public, and private lands.
- The DNR completed trail improvements on the David Dill/Taconite and began expanding trails in the Iron Range OHV State Recreation Area.
- Grants-in-aid were awarded to 76 trail projects through approximately 30 local government sponsors. These grants support local clubs for maintenance, development, and acquisition for approximately 2,200 miles of ATV trails.

Additional Resources

[Grants Outcomes website](#)

[ATV Safety Training](#)

Off-Highway Motorcycle Account (OHM)

Brief Overview

- Governing statute: M.S. 84.773 to 84.781
- Year established: 1993
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

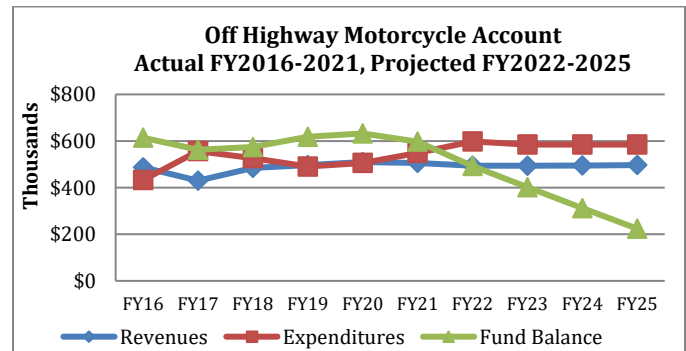
The sources of funding for the account include registration fees for OHMs and the unrefunded gasoline taxes attributable to OHM use. Money in the account may only be spent for:

- Administration, enforcement, and implementation of OHM sections of statutes (M.S. 84.787 to 84.795);
- Acquisition, maintenance, and development of OHM trails and use areas; and
- Grants-in-aid to counties and municipalities to construct and maintain OHM trails and use areas. Grants must be guided by the Statewide Comprehensive Outdoor Recreation Plan.

Financial Summary	FY20	FY21
Beginning fund balance	\$618,034	\$632,480
Prior year adjustments	\$10,717	\$7,837
Revenues		
OHM Registration	\$156,448	\$197,490
Misc Receipts	11,184	9,041
Unrefunded gasoline tax & police state aid	<u>342,115</u>	<u>299,485</u>
Total Revenues	\$509,747	\$506,016
Expenditures		
Parks and Trails Mgmt	\$381,179	\$413,340
Enforcement	96,374	97,294
Fish and Wildlife	7,040	13,220
Conservations Corps Minnesota	10,000	10,000
Statewide Indirect	11,425	15,323
Total Expenditures	\$506,017	\$549,178
Ending fund balance	<u>\$632,480</u>	<u>\$597,155</u>
Net change	\$14,447	(\$35,325)

Forecast

Major revenues to this account are OHM registrations (35%) and unrefunded gasoline taxes (63%.) The fund balance is projected to steadily fall as appropriations exceed revenue.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

- Developed, monitored, and maintained about 157 miles of OHM/ATV trails in state forests, state trails, and the Iron Range OHV State Recreation Area. Approximately 185 single-track OHM miles are open for public use on state forest lands.
- Nearing completion of an OHM strategic master plan to guide future development of OHM opportunities.
- DNR staff spent approximately 1,865 hours on OHM law enforcement and safety training activities.
- Issued 57 grants to local law enforcement agencies to provide for enforcement and education activities relating to OHM use around the state.

Additional Resources

[OHM safety training](#)

[OHM grants-in-aid](#)

Off-Road Vehicle Account (ORV)

Brief Overview

- Governing statute: M.S. 84.773 to 84.781
- Year established: 1993
- OHV Trails: 2,900 miles
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

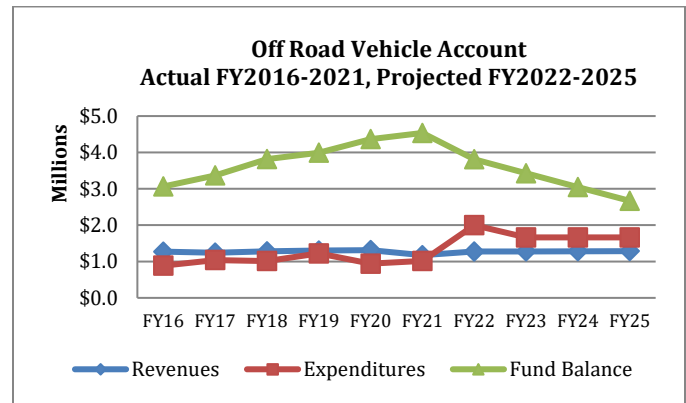
Fees from the registration of off-road vehicles and revenues from unrefunded gasoline tax attributable to off-road vehicle use are the principal revenue sources. Money in the ORV Account may only be spent for:

- Administration, enforcement, and implementation of M.S. 84.773 to 84.805;
- Acquisition, maintenance, and development of off-road vehicle trails and use areas;
- Grant-in-aid programs to counties and municipalities to construct and maintain off-road vehicle trails and use areas;
- Grants-in-aid to local safety programs; and
- Enforcement and public education grants to local law enforcement agencies.

Financial Summary	FY20	FY21
Beginning fund balance	\$3,992,877	\$4,366,833
Prior year adjustments	\$2,908	\$10,113
Revenues		
ORV Registration	\$70,392	\$91,616
Misc Receipts	27,656	19,945
Unrefunded gasoline tax & police state aid	<u>1,213,850</u>	<u>1,062,965</u>
Total Revenues	\$1,311,898	\$1,174,526
Expenditures		
Parks and Trails Mgmt	\$724,772	\$769,569
Enforcement	154,067	154,775
Fish and Wildlife	20,432	46,597
Conservations Corps MN	30,000	30,000
Statewide Indirect	11,579	15,085
Total Expenditures	\$940,850	\$1,016,027
Ending fund balance	<u>\$4,366,833</u>	<u>\$4,535,445</u>
Net change	\$373,956	\$168,612

Forecast

Major revenues to this account are ORV registrations (7%) and unrefunded gasoline taxes (91%.) The fund balance peaked in FY21 and is projected to decline due to appropriations exceeding revenues.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

- Developed, monitored, administered, and maintained about 475 miles of ORV recreational trails and 24 miles at the Iron Range OHV Recreation Area. Nearing completion of planning an adventure touring route from border to border across the northern half of the state for highway licensed high clearance vehicles capable of being ORV registered.
- Provided 9 grants to counties, cities, and townships for the maintenance, development, and acquisition of public, locally controlled ORV trails and areas.
- Nearing completion of an ORV strategic master plan to guide future development of ORV opportunities.
- Staff spent approximately 2,222 hours on ORV law enforcement and safety training.
- Issued 136 grants to local law enforcement agencies to provide law enforcement and education activities relating to ORV use around the state.

Additional Resources

[Grants Outcomes](#)

[ORV safety training](#)

[ORV grants-in-aid](#)

Cross-Country Ski Account

Brief Overview

- Governing statute: M.S. 85.43
- Year established: 2004 (program established in 1983)
- Ski trails: 1,400 miles
- Primary division: Parks and Trails

Sources and Uses of the Funds

Receipts from cross-country ski trail passes are deposited into this account and used for maintenance and grooming of cross-country ski trails.

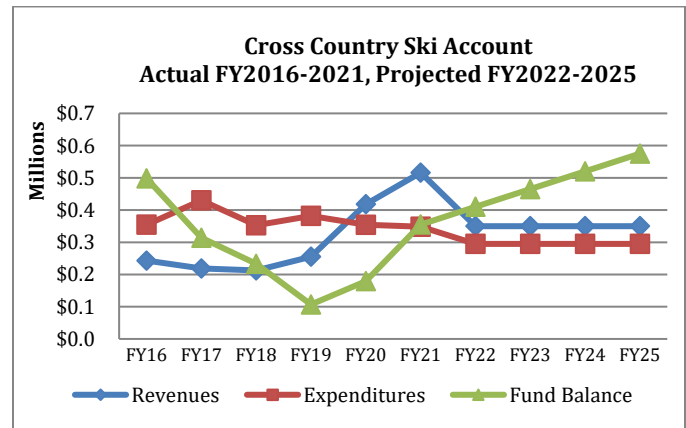
Money deposited in the Cross-Country Ski Account is for grants-in-aid (GIA) for cross-country ski trails sponsored by local units of government and special park districts.

The DNR administers 1,100 miles of state-operated and grant-in-aid cross-country ski trails statewide. By purchasing a ski pass, cross-country skiers support the maintenance and grooming of these cross-country ski trails. Most grant-in-aid cross-country ski trails are maintained by local ski club volunteers.

Financial Summary	FY20	FY21
Beginning fund balance	\$106,881	\$179,227
Prior year adjustments	\$8,521	\$8,012
Revenues		
Cross Country Ski Permit	\$417,951	\$515,872
Misc Receipts	<u>239</u>	<u>225</u>
Total Revenues	\$418,189	\$516,097
Expenditures		
Parks and Trails Mgmt	\$339,365	\$333,215
Conservations Corps Minnesota	<u>15,000</u>	<u>15,000</u>
Total Expenditures	\$354,365	\$348,215
Ending fund balance	\$179,227	\$355,121
Net change	\$72,345	\$175,894

Forecast

Revenues and expenditures vary considerably from year to year due to snow conditions. Revenues increased to a high of \$516k in FY21 through a combination of the ski pass fee increase and additional passes sold. The fund balance is projected to grow as revenues exceed appropriations.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

- Awarded 39 cross-country ski grants-in-aid (GIA) each fiscal year to local units of government, many partnering with local ski clubs. The grants helped provide 704 miles of GIA ski trails statewide.
- The department allocated \$75,000 toward the grooming of 378 miles of cross-country ski trails maintained by the DNR in state parks, state forests, and on state trails.

Additional Resources

[Minnesota DNR Cross-Country Ski](#)

[Purchase a cross-country ski pass online](#)

[Cross Country Ski Trail Grants-in-Aid \(GIA\)](#)



Forest Management Investment Account

Brief Overview

- Governing statute: M.S. 89.039
- Year established: 2004
- State forests in MN: 59
- Forest roads: 2,370 miles
- Primary division: Forestry

Sources and Uses of Funds

The Forest Management Investment Account (FMIA) was established to create a direct connection between state timber program revenues and expenditures. Primary sources of funding to the FMIA are revenues earned from state land timber sales and related activities. On average, 30,000 acres of timberland are regeneration harvested and 10,000 acres are thinned or selectively harvested each year supplying the state's forest industry with quality wood fiber used for the manufacture of paper, lumber, structural panels, and specialty products.

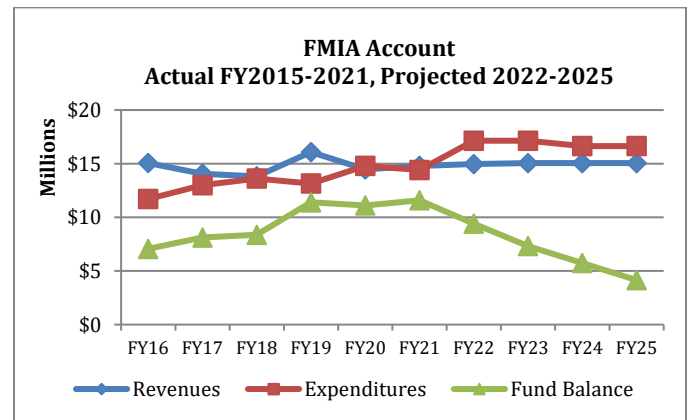
FMIA dollars can be spent, subject to appropriation by the Legislature, in accordance with the forest management policy and plan, for these purposes:

- State timber sales planning, layout, and administration, contract marking of commercial thinning sales, forest inventory, and cultural resource reviews; and
- State land reforestation and timber stand improvement, including forest pest management.

Financial Summary	FY20	FY21
Beginning fund balance	\$11,396,149	\$11,108,386
Prior year adjustments	\$35,922	\$96,954
Revenues		
Timber sales, interest & penalty	\$4,012,403	\$4,054,041
Misc Receipts	186,282	37,474
Con Con, Univ, School Trust, etc	<u>10,269,168</u>	<u>10,700,773</u>
Total Revenues	\$14,467,853	\$14,792,288
Expenditures		
Forest Management	\$14,326,727	\$13,930,064
Lands and Minerals	342,780	345,220
Conservations Corps Minnesota	60,000	60,000
Statewide Indirect	<u>62,031</u>	<u>75,784</u>
Total Expenditures	\$14,791,538	\$14,411,069
Ending fund balance	<u>\$11,108,386</u>	<u>\$11,586,559</u>
Net change	(\$287,763)	\$478,173

Forecast

The fund balance is projected to decline following a peak in FY21 because projected revenues are less than appropriations.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

- Offered for sale a total of 2,362,281 cord equivalents, including 1,789,889 "new" cord equivalents (cords and thousand board feet units only). Timber sold totaled 1,462,058 cord equivalents and timber harvested totaled 1,368,074 cord equivalents.
- 1,806 acres received site preparation for reforestation, 1,462 acres were planted, 1,212 acres were direct seeded, and 745 acres were released from competition. 143 acres underwent timber stand improvement. Regeneration surveys were completed on 8,339 acres. Some 2,681 acres were protected from animal browse damage by bud capping or repellents.

Additional Resources

[DNR M.S. 16A.125 Trust Cost Certification Report – Legislative Reports by Fiscal Year](#)

[DNR Biennial Operating Budget](#)

[Division of Forestry Website](#)

Invasive Species Account

Brief Overview

- Governing statute: M.S. 84D.15
- Year established: 2007 (program established in 1991)
- Primary Division: Ecological and Water Resources

Sources and Uses of the Funds

A surcharge on watercraft licenses under M.S. 86B.415, subd. 7, and civil penalties for violations of the law related to prohibited invasive species under M.S. 84D.13 are deposited into the account. Receipts from an annual \$10.60 surcharge on nonresident fishing licenses under M.S. 97A.475, subd. 7 are transferred each year from the Game & Fish Fund to the Invasive Species Account. The watercraft surcharge accounts for 64 percent of total revenues while the non-resident fishing surcharge accounts for 27 percent.

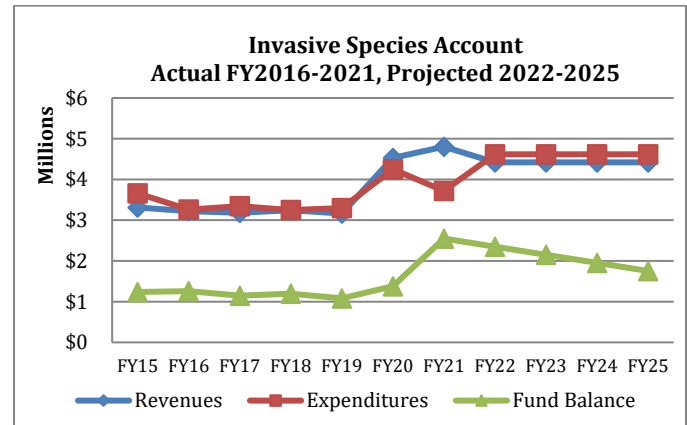
Funds from the Invasive Species Account are used for management of invasive species and implementation of Chapter 84D. Major activities include control of invasive species, watercraft inspection, public awareness, law enforcement, assessment and monitoring, management planning, and research.

Financial Summary	FY20	FY21
Beginning fund balance	\$1,080,382	\$1,378,202
Prior year adjustments	\$17,795	\$86,190
Revenues		
Watercraft Surcharge	\$2,849,827	\$3,093,027
Misc Receipts	134,113	26,542
Non Res Fishing Lic Surcharge, Water Rec Account	1,545,343	1,683,990
Total Revenues	\$4,529,282	\$4,803,559
Expenditures		
Ecological and Water Resources Mgmt	\$3,950,272	\$3,450,850
Enforcement	250,649	218,125
Conservations Corps Minnesota	40,000	40,000
Statewide Indirect	8,336	10,919
Total Expenditures	\$4,249,257	\$3,719,894
Ending fund balance	\$1,378,202	\$2,548,058
Net change	\$297,820	\$1,169,856

Forecast

A fee increase raising the three-year aquatic invasive species surcharge from \$5 to \$10.60 went into effect July 1, 2019. With reduced expenditure occurring in

FY21, the fund balance remains positive despite appropriations being greater than projected revenues.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

- Partnered with the Pollution Control Agency, Department of Agriculture (MDA), University of MN, Minnesota Aquatic Invasive Species Research Center (MAISRC), local governments, and wastewater treatment plants to move towards eradicating nonnative Phragmites.
- In 2020 DNR worked with local partners to treat nonnative Phragmites in sites in Stearns and Kandiyohi counties. In 2021 the DNR funded the treatment of 141 sites in 24 counties.
- Partnered with MAISRC, University of Minnesota Extension, many counties, and local partners on an annual statewide search for new populations of starry stonewort. Over 400 volunteers searched 460 lakes, leading to treatment of the one new confirmed site.
- Facilitated workshops with over 140 people to boost success of local AIS prevention work.
- Provided watercraft inspection training to 1,567 level 1 and 259 level 2 watercraft inspectors.
- DNR completed permit trainings for 766 lakes service provider (LSP) owners and managers, issuing 738 permits. Additionally, 1,682 LSP employees completed certificate training.

Additional Resources

[Invasive species program](#)

[Aquatic invasive species grants and partnerships](#)

[Invasive species in Minnesota](#)

Land Acquisition Account

Brief Overview

- Governing statute: M.S. 94.16 and 94.165
- Year established: 1984
- Land leases: 2,405
- Primary divisions: Forestry, Fish and Wildlife, Parks and Trails

Sources and Uses of the Funds

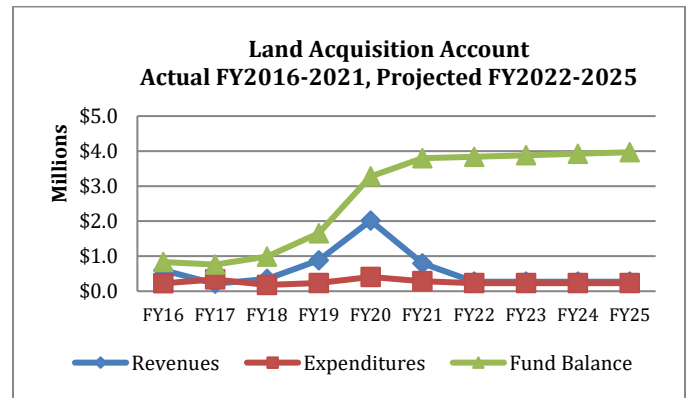
Receipts from the sale of acquired state natural resource land administered by the DNR are credited to the Land Acquisition Account to provide funding to acquire additional state natural resource land in the Outdoor Recreation System and to cover the costs of sale of surplus state land. These funds help the DNR reach the following goals:

- Consolidating state forest land into large contiguous blocks to increase forest management efficiencies and protect critical forest habitat;
- Acquiring privately-owned “in-holdings” within state parks; and
- Acquiring recreation access; and lands with significant natural resource characteristics.

Financial Summary	FY20	FY21
Beginning fund balance	\$1,654,698	\$3,277,400
Prior year adjustments	\$14,977	\$6,920
Revenues		
Sale of Land	\$1,923,767	\$470,222
Misc Receipts	90,333	325,549
Total Revenues	\$2,014,100	\$795,771
Expenditures		
Forest Management	\$141,624	\$219,099
Ecological and Water Resources	\$0	\$0
Parks and Trails Mgmt	22,158	7,870
Fish and Wildlife	242,592	57,829
Total Expenditures	\$406,375	\$284,799
Ending fund balance	\$3,277,400	\$3,795,292
Net change	\$1,622,702	\$517,892

Forecast

Due to the unpredictable nature of land sales, the fund balance can significantly change year-to-year. Following higher than usual revenues in FY20, the fund balance is projected to slightly increase through FY25.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

- Used to support land sales costs of eight sales, seven exchanges, and three acquisitions for FAW by covering transaction costs. No land payments were made from the Land Acquisition Account in FY21. One sale concluded that resulted in revenue to the account.
- Funding supported acquisition transaction costs for three state forest additions in Hubbard County, Becker County, and Aitkin County; four new fee title additions to state forest lands, and two road easements to improve access to public lands. Expenditures also helped cover transaction costs of five land exchanges, and 50 land parcels offered for sale.
- Division of Parks and Trails completed acquisitions at Mill Towns, Myre-Big Island, Wild River, Big Pine Lake, Lake Vermillion-Soudan Underground Mine, Tettegouche, Whitewater, Glacial Lakes and Minneopa in FY20 totaling 85.08 acres and at Glacial Lakes, Sibley, Frontenac, Tettegouche, Scenic, Savanna Portage, Big Sand Lake, Blufflands Root River in FY21 totaling 233.24 acres.

Additional Resources

[Division of Lands and Minerals](#)

State Land & Water Conservation (LAWCON) Account

Brief Overview

- Governing statute: M.S. 84.0264 (previously 116P.14)
- Year established: 2001
- Primary Division: Parks and Trails

Sources and Uses of the Funds

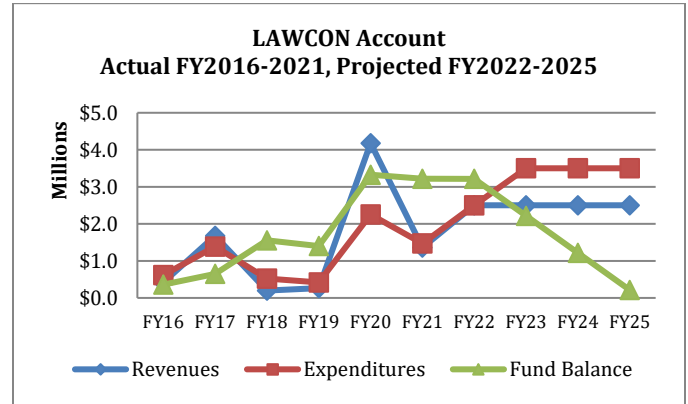
Since 1965, Minnesota has received over \$81 million from the federal Land & Water Conservation Fund. M.S. 84.0624 distributes 50 percent of each annual apportionment to projects developed, acquired, or maintained by local units of government. The State distributes these funds through the Outdoor Recreation, Regional Park, and Natural and Scenic Areas grant programs. The other 50 percent is allocated to state acquisition and development projects of the state outdoor recreation system as defined in M.S. 86A, and for administrative expenses necessary to maintain the state’s eligibility for the federal Land & Water Conservation Fund grant program.

Each year, the State identifies the specific acquisition and development projects to which it will obligate its annual federal LAWCON apportionment. The State receives the federal reimbursement when the projects are complete. Reimbursements for local projects go to the project sponsor (typically a local unit of government) while the State deposits reimbursements for DNR projects into the LAWCON account for future projects.

Financial Summary	FY20	FY21
Beginning fund balance	\$1,400,722	\$3,327,071
Prior year adjustments	\$0	\$0
Revenues		
Federal Reimbursement	\$2,117,318	\$120,368
LAWCON Local Reimbursement	2,060,757	1,240,495
Misc Receipts	87	11
Total Revenues	\$4,178,162	\$1,360,874
Expenditures		
Parks and Trails Mgmt	\$2,251,254	\$1,469,424
Statewide Indirect	\$559	\$774
Total Expenditures	\$2,251,813	\$1,470,197
Ending fund balance	\$3,327,071	\$3,217,747
Net change	\$1,926,349	(\$109,324)

Forecast

This account is a reimbursement program and can fluctuate depending upon the timing of the expenditures and revenues. Given this is a reimbursement account, the DNR seeks to maximize use of collected revenues to benefit the state.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

- Awarded 3 new federal grants for State Park Acquisition of 115 acres (Maplewood, Savanna Portage, Sibley and Tettegouche State Parks), Sibley State Park for development of a 3-mile multi-use trail and Split Rock Lighthouse State Park for the construction of a campground restroom building.
- Completed grants to the cities of Otsego, Houston, Lamberton, Warren, Owatonna, Lake Crystal, Albertville, Eden Valley, Crystal, Fridley, Fairmont, Dodge Center, Shorewood, Mankato, Sartell, Minneapolis, and Itasca County to expand close to home recreation opportunities. Awarded 23 new federal grants.
- Administered the grant program to continue the State’s eligibility to receive future LAWCON apportionments from the National Park Service. Completed 3 state projects: Interstate State Park, rock scaling and removal of debris from rockslide at lower landing, to allow public to use site; Minneopa State Park, repair and improvement of gravel road within the bison range, to improve safety and drainage of road; Whitewater SP, building foundation removal to secure site safety and prepare site for future development.

Additional Resources

[Land and Water Conservation Fund \(LAWCON\)](#)

[National Park Service, Land & Water Conservation Fund](#)

[Statewide Comprehensive Outdoor Recreation Plan \(SCORP\)](#)

Lottery in Lieu Accounts: State Parks & Trails Account

Brief Overview

- Governing statute: M.S 297A.94
- Year established: 2000
- Primary division: Parks and Trails

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

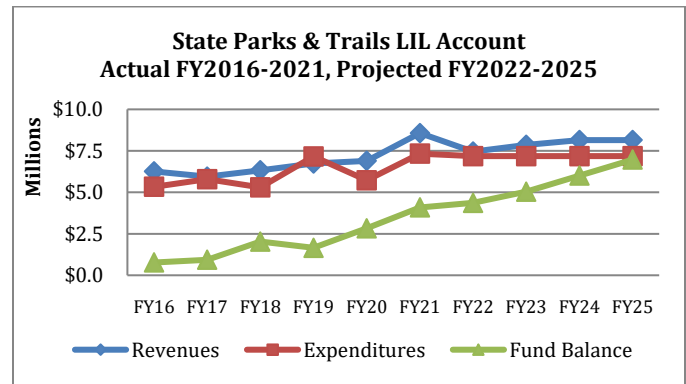
Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The State Parks and Trails Account must be used only for state parks and trails.

The State Parks & Trails LIL account provides funds to maintain and operate state parks and trails.

Financial Summary	FY20	FY21
Beginning fund balance	\$1,653,786	\$2,832,683
Prior year adjustments	\$8,054	\$15,458
Revenues		
State Parks and Trails - Lottery in lieu	\$6,892,217	\$8,567,743
Misc Receipts	4,474	2,037
Total Revenues	\$6,896,691	\$8,569,779
Expenditures		
Parks and Trails Mgmt	\$5,586,919	\$7,192,728
Enforcement	52,396	34,043
Conservations Corps Minnesota	50,000	50,000
Statewide Indirect	36,534	51,425
Total Expenditures	\$5,725,849	\$7,328,195
Ending fund balance	\$2,832,683	\$4,089,725
Net change	\$1,178,896	\$1,257,042

Forecast

The fund balance is projected to increase as projected revenue from lottery sales exceed appropriations.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

Total expenditures from this account are used to manage state parks and trails by:

- Maintained the buildings and grounds for day and overnight use;
- Maintained state non-motorized trails;
- Provided a safe environment for visitors, orientation, and visitor services;
- Provided environmental education, resource management, interpretive services; and
- Performed emergency maintenance when needed (i.e., broken water and sewer lines, power failures, downed trees, etc.)

Additional Resources

[State Comprehensive Outdoor Recreation Plan](#)

[DNR reports](#)

[Strategic Conservation Agenda](#)

[Minnesota State Parks Strategic Plan](#)

[Long range conservation plans and strategies](#)

[DNR publications](#)

[Recreation Grants](#)

[Parks & Trails](#)

Lottery in Lieu Accounts: Local Trails Grants Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary division: Parks and Trails

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

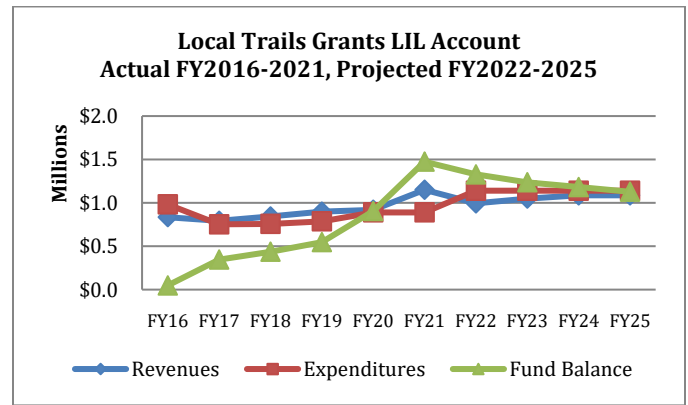
Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The Local Trails Grants Account must be spent on grants for local trails.

This LIL grant funding is made through the Local Trail Connections Program and the Regional Trail Grant Program, established in MN Statutes 85.019. Funded grant projects include acquisition and betterment of public land and improvements needed for trails. Counties, cities, and towns are eligible for the grants.

Financial Summary	FY20	FY21
Beginning fund balance	\$547,046	\$904,214
Prior year adjustments	\$328,206	\$309,885
Revenues		
Local Trails Grants- Lottery in lieu	\$918,962	\$1,142,366
Misc Receipts	\$0	\$7,612
Total Revenues	\$918,962	\$1,149,977
Expenditures		
Parks and Trails Mgmt	\$890,000	\$890,000
Ending fund balance	\$904,214	\$1,466,465
Net change	\$357,168	\$562,251

Forecast

Despite revenue growth, the fund balance is projected to slightly decrease due to appropriations exceeding revenues starting in FY22.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

There were 10 park grants and 11 trail grants funded to local communities in the FY20-21 biennium for Local Trail Connections, Regional Trails and Local Parks. These grants help to acquire and develop local recreation park facilities and trails to connect citizens with the outdoors.

Additional Resources

[Local Grants and Pass-through Appropriations](#)

Lottery in Lieu Accounts: Metro Parks & Trails Grants Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary entity: Metropolitan Council

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

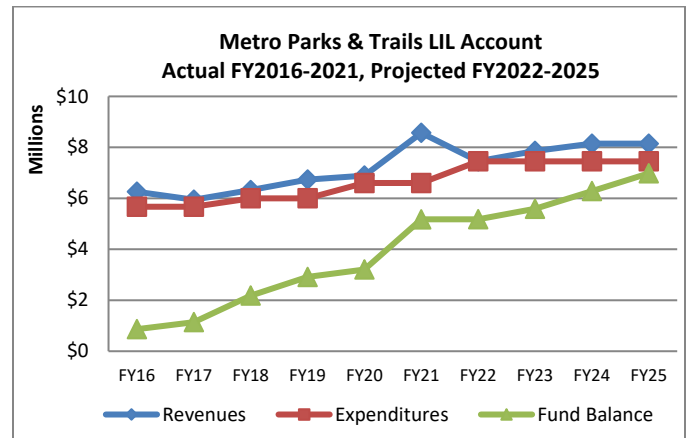
Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The Metro Parks and Trails Account must be used for grants to metro parks and trails.

The Metropolitan Council allocates the Metro Parks & Trails funds to the metro region park boards. Recipients include the counties of Anoka, Washington, Ramsey, Scott, Carver, and Dakota; cities of St. Paul and Bloomington; the Minneapolis Park and Recreation Board; and the Three Rivers Park District.

Financial Summary	FY20	FY21
Beginning fund balance	\$2,915,227	\$3,207,445
Prior year adjustments	\$0	\$0
Revenues		
Metro Parks and Trails - Lottery in lieu	\$6,892,217	\$8,567,743
Expenditures		
Metropolitan Council	\$6,600,000	\$6,600,000
Ending fund balance	\$3,207,445	\$5,175,188
Net change	\$292,217	\$1,967,743

Forecast

The fund balance is projected to increase as projected revenue from lottery sales exceed appropriations.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

The Metropolitan Regional Parks System’s LIL funds are used by the Metropolitan Council to support the work of the ten regional park implementing agencies across the seven-county Metropolitan Region. This parks system includes 44 regional parks, 12 park reserves and 8 special recreation features totaling about 55,000 acres open for public use. The system also has 55 regional trails with more than 415 miles of recreational opportunities. The funding pays for operations and maintenance costs on a cost reimbursement basis.

Additional Resources

[Metropolitan Council – Regional Parks](#)

Lottery in Lieu Accounts: Zoos Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary entities: Minnesota Zoo, Como Zoo & Duluth Zoo

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

Under statute 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The Zoo Account funds a portion of the operations for the following zoos:

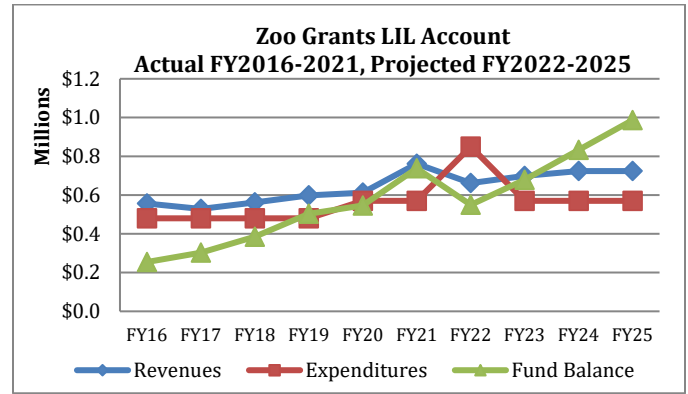
- Minnesota Zoological Garden;
- Como Zoo and Conservatory; and
- Duluth Zoo.

These three zoos (named in the legislation) each receive \$190,000 annually.

Financial Summary	FY20	FY21
Beginning fund balance	\$503,636	\$546,278
Prior year adjustments	\$0	\$0
Revenues		
Minnesota Zoos - Lottery in lieu	\$612,642	\$761,577
Expenditures		
Operations Support-Como & Duluth Zoos	\$380,000	\$380,000
Minnesota Zoo	<u>\$190,000</u>	<u>\$190,000</u>
Total Expenditures	\$570,000	\$570,000
Ending fund balance	<u>\$546,278</u>	<u>\$737,855</u>
Net change	\$42,642	\$191,577

Forecast

The fund balance is projected to increase as projected revenue from lottery sales exceed appropriations.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

Additional Resources

[Minnesota Zoo](#)

Minerals Management Account

Brief Overview

- Governing statute: M.S. 93.2236
- Year established: 2005
- DNR administers mineral rights: 12 million acres
- Primary division: Lands and Minerals

Sources and Uses of Funds

Mineral management responsibilities include state mineral evaluation and promotion, issuing leases for exploration and mining, negotiating royalty rates and rentals, and managing revenue transactions related to mining and exploration. The program also provides technical assistance to local governments on mineral resources and mining issues.

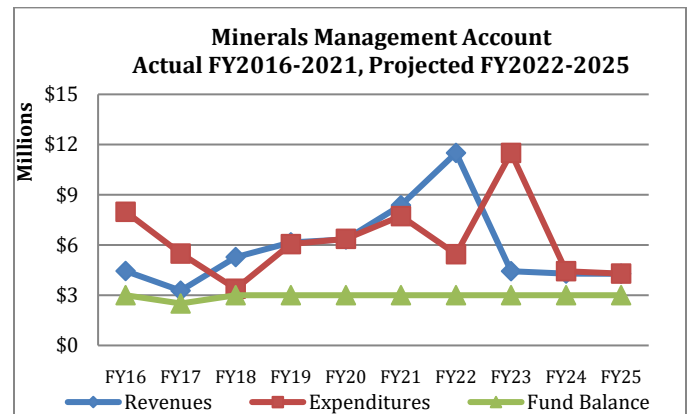
Revenues from state mineral leases are collected from mining companies and distributed in accordance with state law to benefit schools, the university, and local taxing districts. The Minerals Management program objective is to maximize mineral lease revenues for the Permanent School Fund, the Permanent University Fund, and local units of government.

The funds and accounts that directly benefit from mineral income pay for a portion of the costs of state minerals lease and ownership activities. Twenty percent of the payments made under all state mineral leases are credited to this account to pay the costs associated with the administration and management of the state's mineral resources. Money in the account is appropriated by the legislature to the commissioner for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities.

Financial Summary	FY20	FY21
Beginning fund balance	\$4,497,437	\$4,461,985
Prior year adjustments	\$726	\$46,374
Revenues		
Iron Ore Rents & Royalties	\$5,918,524	\$8,004,259
Misc Receipts	411,982	371,541
Total Revenues	\$6,330,506	\$8,375,800
Expenditures		
Lands and Minerals	\$2,930,943	\$3,584,154
Univ., School Trust, Taxing Districts	3,423,871	4,129,897
Statewide Indirect	\$11,870	\$15,394
Total Expenditures	\$6,366,684	\$7,729,445
Ending fund balance	\$4,461,985	\$5,154,714
Net change	(\$35,452)	\$692,729

Forecast

Revenues and expenditures around \$4 million are projected each year, with a projected one-time revenue increase in FY22.



Note – At the end of each quarter of the fiscal year (March 31, June 30, September 30, and December 31), the amount of the balance in excess of \$3 million is distributed to the School, University and Taxing Districts according to the proportions of revenue sourced from those lands.

FY2020-21 Accomplishments

- Mineral receipts were \$74.1 million in the FY20-21 biennium, up 29% from the previous biennium.
- FY21 marked the fourth consecutive year of increased mineral receipts despite 2020 COVID-19 impacts from March to July, when many Minnesota's mines closed or with reduced levels of production. Minnesota's mines then began seeing recovery and eventually supply and demand yielded record prices and royalty income to the state.
- Continue efforts to release and permanently archive mineral exploration information. This includes intaking and publicly releasing AngloGold data as well as historical geophysical information.
- Three-year increasing trend of dimension stone revenues and continued work to diversify the school trust mineral income.

Additional Resources

[Lands and Minerals Publications](#)

Mining Administration Account

Brief Overview

- Governing statute: M.S. 93.481
- Year established: 2008
- Primary division: Lands and Minerals

Sources and Uses of the Funds

The 2008 law provided that ferrous mining (taconite and iron ore) administrative fees would be charged to owners, operators, or managers of mines and the revenues deposited to the new account. The revenues were appropriated to the DNR to cover the costs of administering and monitoring permits to mine ferrous metals.

In the last months of FY2009, the law was amended to provide that deposits to the account would include all fees charged to owners, operators, or managers of mines under M.S. 93.481 and a new section, M.S. 93.482 (Reclamation Fees). The mining administrative fee was extended to include ferrous, nonferrous, peat, and scam mining.

Each year, the annual permits to mine fees are collected based on the number of companies holding permits in the previous calendar year, whether or not there was production at the facilities.

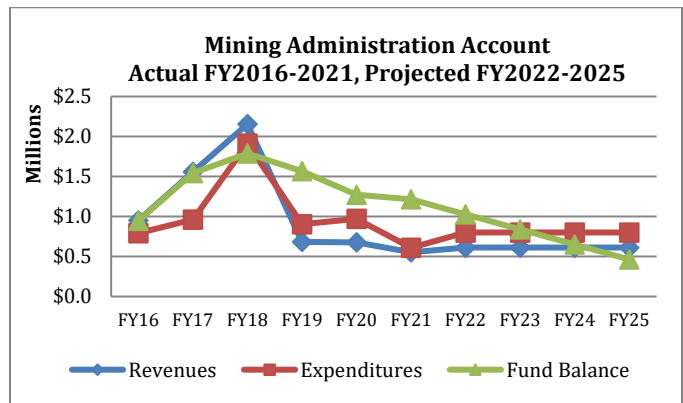
The funds are used for mineland reclamation activities that control adverse environmental impacts of mining, preserve natural resources, and encourage future land utilization planning. These activities also promote the orderly development of mining, encourage good mining practices, and recognize the beneficial aspects of mining. Supported activities within mineland reclamation include:

- Mine permitting & site inspections;
- Wetland impact avoidance, minimization, and mitigation;
- Annual report and operating plan review;
- Research toward reclamation practice improvement; and
- Environmental review.

Financial Summary	FY20	FY21
Beginning fund balance	\$1,566,696	\$1,272,310
Prior year adjustments	\$0	\$0
Revenues		
Mineland Reclamation Fees	\$653,875	\$548,908
Misc Receipts	22,807	3,923
Total Revenues	\$676,682	\$552,831
Expenditures		
Lands and Minerals	\$971,069	\$609,621
Ending fund balance	\$1,272,310	\$1,215,520
Net change	(\$294,387)	(\$56,790)

Forecast

The fund balance projected to decline as appropriations exceed projected revenues.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

Administered, monitored, and amended:

- Six taconite permits for active operations;
- One non-ferrous permit (in litigation);
- Four closure status taconite permits, with one in idle status;
- One active scam mining permit, with four in idle status; and
- Eleven peat mining permits.

Additional Resources

[Mining and Mineral Resources of Minnesota](#)

[Lands and Mineral publications](#)

[Establishment of a Permit to Mine Administration and Application Fee Schedule \(report to legislative committees, published Jan. 2009\)](#)

[Reclamation section publications](#)

[Reclamation: Minnesota DNR](#)

Natural Resources Misc. Statutory Account (Dedicated Receipts Account)

Brief Overview

- Governing statute (year established):
 - M.S. 89.421 (2007), Forest Resource Assessment Products
 - M.S. 85.46 (2007), Horse Pass Account
 - M.S. 89.21 (2012), Forest Campgrounds
 - M.S. 97A.485 (1986), License Issuing Fee
- Primary divisions: Forestry, Parks and Trails, Fish and Wildlife

Sources and Uses of Funds

The Natural Resources Dedicated Receipts Account is the repository for the statutorily-appropriated dedicated accounts in the Natural Resources Fund.

Money deposited in the Natural Resources Misc. Statutory Account comes from these sources:

- Sales of forest resource assessment products and services;
- Horse pass and forest campground fees;
- Minimum \$60 donation for the State Parks and Trails Special Plates for passenger automobile, recreational vehicle, one ton pickup trucks, and motorcycles; and
- Fees collected on licenses sold.

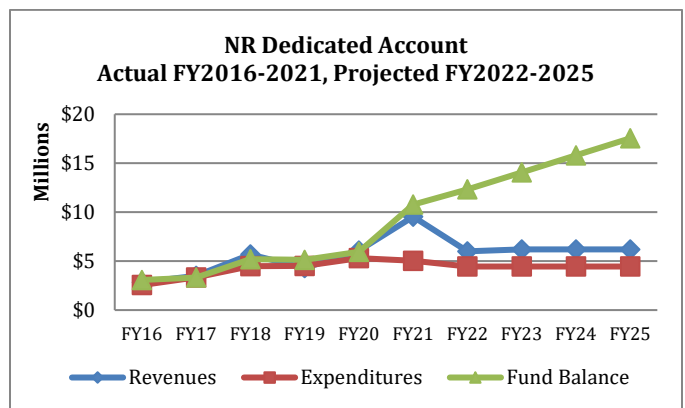
Money in the Natural Resources Misc. Statutory Account can be used for these purposes:

- Maintain staff and facilities producing the aerial photography, forest inventory, remote sensing, and satellite imagery products and services;
- Trail acquisition, trail and facility development, and maintenance, enforcement, and rehabilitation of horse trails or trails authorized for horse use;
- Costs associated with the use of forest campgrounds;
- Operation of the electronic licensing system; and
- Operations and maintenance costs for state parks and trails.

Financial Summary	FY20	FY21
Beginning fund balance	\$5,134,696	\$5,945,521
Prior year adjustments	\$35,774	\$324,658
Revenues		
Easement, water & land crossing licenses, water fees	\$195,339	\$1,057,114
Water fees, inspection & gas storage fees	245,968	256,345
Fire burn & Decorative bough permits, misc. forestry fees	3,481,994	3,381,035
Horse Trail Pass, Forest Campground Fees, SP Special Plate fee, misc park fees	1,129,459	3,723,064
License Issuing Fees	1,026,696	1,118,573
Total Revenues	\$6,079,456	\$9,536,131
Expenditures		
Forest Management	\$3,587,529	\$2,792,017
Lands and Minerals	557,960	467,137
Parks and Trails Mgmt	233,455	650,791
Ecological and Water Resources Mgmt	146,661	121,337
Fish and Wildlife	778,799	999,422
Total Expenditures	\$5,304,404	\$5,030,704
Ending fund balance	\$5,945,521	\$10,775,607
Net change	\$810,826	\$4,830,086

Forecast

Approximately 36 percent of the total receipts in the Dedicated Receipts Account were from the Forestry Resource Assessment Products and Services Account. Horse Trail pass, forest campgrounds and State Park (SP) Special Plate fee contributed 18 percent of the revenue. With a significant one-time increase in revenues in FY21 coupled with revenues projected to exceed expenditures, the fund balance continues to grow. This balance is spread across many accounts.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

- About 1.2 million acres of wetlands were photo interpreted and over 1.2 million acres of photos were acquired for the wetland monitoring project.
- Approximately 672,000 acres worth of forest were added to the LIDAR inventory.
- Conduct forecast health survey on about 10 million acres and conducted an oak wilt survey for southeast Minnesota.
- Conducted detection analysis of about 7,000 acres for forest regeneration.
- Acquired photography for 4,500 acres covering various rice lakes in northern Minnesota.
- Completed 10 state forest maps, including 13 state forests: Bigfork; Koochiching/Smokey Bear; Pine Island/Red Lake; Crow Wing; Hill River/Waukenabo; Grand Portage; Pat Bayle; Finland; Savanna; and Solana/Wealthwood
- Issued 81,023 burning permits.

- Issued 37 permits, including 32 amended water appropriation permits; 1 new water appropriation permit; 1 amended public waters work permit; 3 new public waters work permits; 2 water appropriation permit terminations; and 2 preliminary well construction assessments
- Parks and Trails manages 1,100 campsites in 47 state forest campgrounds and maintains over 1,000 miles of horse trails and 500 horse campsites.

Additional Resources

[Horseback Riding](#)

[Frequently asked questions about the horse trail pass](#)

[Horse Trail Pass at Work \(list of funded projects\)](#)

[State Forest Horse Campgrounds and Trails](#)

[Purchase horse trail passes \(electronic licensing center\)](#)

[Minnesota State Parks and Trails License Plate](#)



Nongame Wildlife Management Account

Brief Overview

- Governing statute: M.S. 290.431
- Year established: 1980 (program established in 1977)
- Loon abundance: 2 loons per 100 acres of lake across six index areas
- Primary division: Ecological and Water Resources

Sources and Uses of Funds

The principal objectives are the conservation of nongame wildlife species and management and conservation of their habitats.

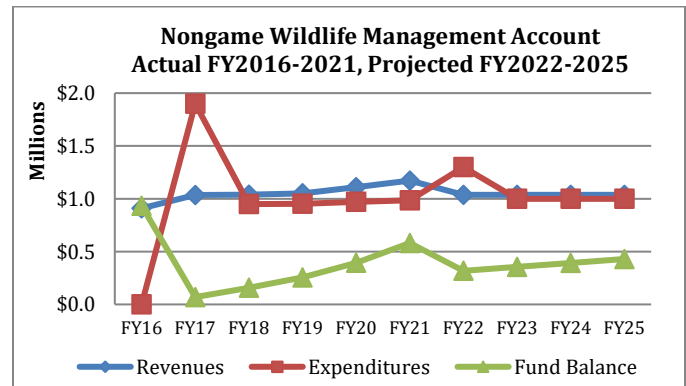
The program works to protect over 800 species of nongame wildlife.

The principal source of funding for this program is contributions by taxpayers on their state income tax and property tax forms, sometimes referred to as the “Chickadee Checkoff.” Individuals who file a state income tax return (M-1) or property tax refund claim (M1-PR) may donate to the Nongame Wildlife Program. As of July 1, 2021, all donations are matched 2:1 by the Critical Habitat License Plate fund—previously the match was 1:1.

Financial Summary	FY20	FY21
Beginning fund balance	\$255,484	\$394,320
Prior year adjustments	\$0	\$0
Revenues		
Donations from income tax return	\$1,101,602	\$1,169,159
Misc Receipts	<u>8,325</u>	<u>2,870</u>
Total Revenues	\$1,109,927	\$1,172,029
Expenditures		
Ecological and Water Resources Mgmt	\$971,000	\$985,000
Statewide Indirect	<u>\$91</u>	<u>\$89</u>
Total Expenditures	\$971,091	\$985,089
Ending fund balance	<u>\$394,320</u>	<u>\$581,261</u>
Net change	\$138,836	\$186,940

Forecast

Revenues remain steady through FY25 and are projected to be slightly greater than expenditures, resulting in a slow growing balance.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

- Continued work in 4 active conservation focus areas (CFA): Root River, Prairie Coteau, Whitewater Valley, and Brainerd Lakes.
- To understand more about rare wildlife, affixed 10 transmitters on American kestrels to study the survival of young and vulnerabilities during migration.
- Long term monitoring staff continued work on the multiagency long-term grassland monitoring project. A total of eleven sites were monitored for vegetation which included 152 vegetation transects and 17 relevés. A total of 10 sites were monitored for birds.
- Provided technical guidance on the distribution, ecology and current conditions of native terrestrial invertebrates and associated native plants and habitats needed to achieve sustainable management and protection of native terrestrial pollinators.
- Provided educational resources and training through online courses and online resources. An example includes developing a customized eagle education resource that accompanied the DNR's EagleCam.
- Provide Technical Guidance for Rare Wildlife:
- Regional biologists provided technical guidance and conducted habitat and species surveys to sustain and enhance biological diversity. Included in this work was the development of 3 management guidelines.
- Initiated a community science program, including plans to re-start the volunteer-based MN Frog and Toad Survey.

Additional Resources

[Nongame Wildlife Program](#)

[Statewide Nongame Projects](#)

[Habitat projects](#)

[Research reports](#)

[Wildlife rehabilitation home page, organizations](#)

[Minnesota's Wildlife Action Plan](#)

[Critical Habitat License Plate](#)

[Online donation to Nongame Wildlife program](#)



Snowmobile Trails and Enforcement Account

Brief Overview

- Governing statute: M.S. 84.83
- Year established: 1982
- Registered snowmobiles: 190,000
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of the Funds

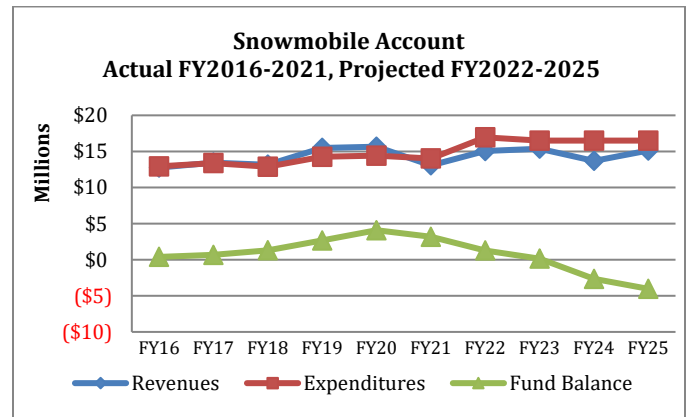
Fees from the registration of snowmobiles, trail pass, and one percent of the unrefunded gasoline taxes attributable to snowmobile use are the main sources of funding in the Snowmobile Account. The account funds may be spent only as appropriated by law, for:

- A grant-in-aid program to local units of government for construction and maintenance of snowmobile trails;
- Acquisition, development, and maintenance of state recreational snowmobile trails;
- Snowmobile safety programs; and
- Administration and enforcement of the laws concerning snowmobiles in M.S. 84.81 to 84.91, and grants to local law enforcement agencies.

Financial Summary	FY20	FY21
Beginning fund balance	\$2,666,365	\$4,086,056
Prior year adjustments	\$175,458	\$44,281
Revenues		
Snowmobile Registration	\$7,765,804	\$6,304,940
Misc Receipts	440,308	238,234
Unrefunded gasoline tax & police state aid	<u>7,449,914</u>	<u>6,525,030</u>
Total Revenues	\$15,656,026	\$13,068,204
Expenditures		
Parks and Trails Mgmt	\$12,125,067	\$11,796,633
Enforcement	1,872,220	1,725,565
Fish and Wildlife	272,681	338,936
Lands and Minerals	13,000	13,000
Conservations Corps Minnesota	75,000	75,000
Statewide Indirect	53,825	76,002
Total Expenditures	\$14,411,792	\$14,025,137
Ending fund balance	<u>\$4,086,056</u>	<u>\$3,173,404</u>
Net change	\$1,419,691	(\$912,653)

Forecast

Annual snow conditions impact revenues. An ongoing structural imbalance between spending and receipts is managed annually.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025. The department will manage levels of spending to ensure the account does not go negative as shown above.

FY2020-21 Accomplishments

- Provided 27,235 hours on enforcement, education, and safety training activities.
- Issued 128 grants to counties and local government for law enforcement and education and trail maintenance.
- Trained 19,527 youth and adults through the snowmobile safety education program.
- The License Center issues all Snowmobile registrations through a web based Electronic License System (ELS) available from 175 registration agents (deputy registrars).
- Developed, managed, and maintained about 800 miles of recreational snowmobile trails.
- Administered grants-in-aid to local units of government to create and maintain locally initiated trails totaling 21,446 miles, through 178 grants annually.

Additional Resource Links

[Snowmobiling home page](#)

State Parks Account

Brief Overview

- Governing statute: M.S. 85.052, subd. 4.
- Year established: 2000
- State parks: 66
- State recreation areas: 9
- Yearly visitors: 10 million
- Primary Division: Parks and Trails

Sources and Uses of the Funds

DNR manages 66 state parks, 9 state recreation areas, 9 state waysides, and 84 state forest campgrounds/day use areas.

Fees paid by visitors who purchase products and services within a state park, state recreation area or wayside, and for special state park uses, are credited to the State Parks Account.

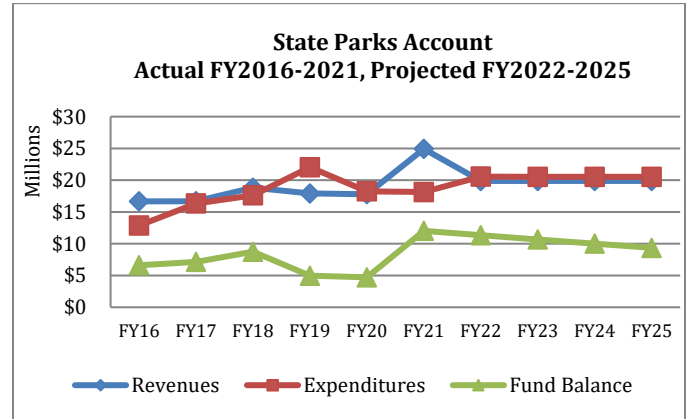
Money in the State Parks Account is available to operate and maintain the state park system, under M.S. 85.055, subd. 2, when appropriated by the legislature. Costs of the DNR electronic licensing system attributable to state park permits also comes out of this account.

In FY21, the State Parks Account was 15 percent of Parks and Trails total division budget.

Financial Summary	FY20	FY21
Beginning fund balance	\$4,964,468	\$4,717,735
Prior year adjustments	\$212,386	\$522,701
Revenues		
Camping Fees	\$7,439,445	\$10,788,139
Park Permits	8,120,060	10,476,320
Park facilities rentals & concessions	1,422,614	1,910,784
Misc Receipts	808,904	1,742,018
Unredeemed gift cards & police st aid	<u>3,707</u>	<u>3,167</u>
Total Revenues	\$17,794,730	\$24,920,428
Expenditures		
Parks and Trails Mgmt	\$17,960,850	\$17,814,762
Enforcement	79,459	66,647
Conservations Corps Minnesota	125,000	125,000
Statewide Indirect	<u>88,540</u>	<u>129,174</u>
Total Expenditures	\$18,253,849	\$18,135,583
Ending fund balance	<u>\$4,717,735</u>	<u>\$12,025,281</u>
Net change	(\$246,733)	\$7,307,546

Forecast

Camping fees accounted for 43 percent of revenues, park permits were 44 percent, and park facility rentals and concessions were 7 percent. Expenditures are projected to slightly exceed revenues.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

- DNR welcomed over 12.5 million visits to state parks, with many new and/or current users flocking to parks during the pandemic. About 90 percent of users came for day-use. There were 1.2 million overnight park visits.
- Funded a new campground at Split Rock Lighthouse; began rehabilitation of campgrounds at Whitewater and Frontenac State Parks; and expanded a library pass program, which allows state park vehicle permits to be checked out at certain libraries.
- In a typical year, the natural resource management program restores about 800 acres, burns about 6,000 acres and control invasive plants on about 11,000 acres. Due to limits during the pandemic, there were 484 acres restored, 55 acres burned, and 11,400 acres of invasive species control in FY21.

Additional Resources

[Minnesota State Parks](#)

[Strategic Conservation Agenda](#)

[State Parks Permits](#)

[Reservations](#)

[State Park Studies](#)

Water Management Account

Brief Overview

- Governing statute: M.S. 103G.27
- Year established: 2011
- Primary Division: Ecological and Water Resources

Sources and Uses of the Funds

Money deposited in the Water Management Account comes from these sources:

- Water Use fees (the majority of revenue comes from this source);
- Fees from Field Inspections;
- Penalties;
- Application fees for water use and public waters work permits;
- Other receipts according to section 103G.271 and 103G.301; and
- Interest earned on money in the account accrues to the account.

In accordance with M.S. 103G.27, money from this account may only be spent on costs associated with administering Chapter 103G. The Water Management Account supports the following purposes:

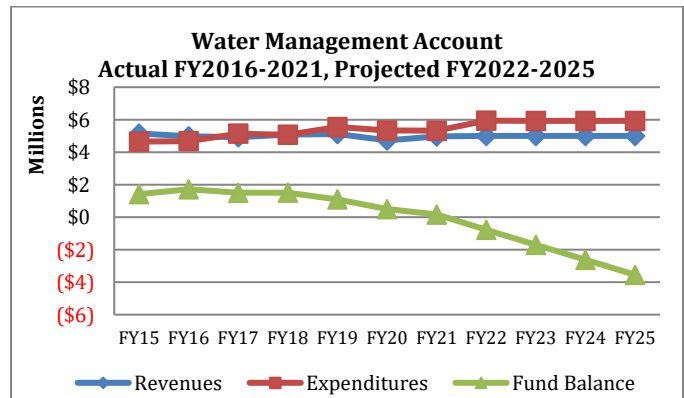
- Processing permit applications for water use and working in public waters;
- Processing water use reports and verifying fees;
- Field inspections of proposed public water alteration proposals;
- Dam safety inspections and permit processing cost;
- Public water inventory mapping;
- Calcareous fen protection;
- Surveys of lake outlets and ordinary high water elevations;
- Stream, lake and groundwater gaging work (when related to permit requirements);
- Great Lakes Compact-related work;
- Water conservation;
- Obtaining field survey data for technical analyses; and
- Preparing topographic maps and profiles.

Financial Summary	FY20	FY21
Beginning fund balance	\$1,093,262	\$496,811
Prior year adjustments	\$11,575	\$23,859
Revenues		
Water Fees	\$4,623,596	\$4,969,395
Misc receipts	100,412	(1,993)

Financial Summary	FY20	FY21
Total Revenues	\$4,724,008	\$4,967,401
Expenditures		
Ecological and Water Resources Mgmt	\$4,982,985	\$4,955,112
Lands and Minerals	\$328,061	\$340,939
Statewide Indirect	\$20,988	\$28,528
Total Expenditures	\$5,332,033	\$5,324,580
Ending fund balance	\$496,811	\$163,492
Net change	(\$596,451)	(\$333,319)

Forecast

Revenues are projected to remain steady through FY25. Appropriations exceed projected revenues, causing a declining fund balance.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025. The department will manage levels of spending to ensure the account does not go negative as shown above.

FY2020-21 Accomplishments

- Completed permit reviews and made decisions on 1,984 water appropriation and 1,744 public waters permit applications and change requests to existing permits. Completed 256 well construction preliminary assessments.
- Processed 21,011 water use reports and verified correct water use fee payments.
- Issued 45 dam safety permits and permit amendments.
- Inspected 137 dams, including 50 Class 1 high-hazard dams and 35 Class 2 significant-hazard dams.
- Worked on water appropriation and public waters work permits for 8 ferrous/scram, 3 non-ferrous and 2 peat mining operations.
- Issued permits to the City of Biwabik for a new water supply source and worked with the City of Aurora on a proposed new water supply source.

- Worked with 4 permittees on developing contingency plans and finding alternative water sources due to the drought-related suspension of appropriation permits and low water levels.
- Continued work on addressing rising water levels in the Canisteo, Hill Annex, and St. James legacy mine pits.
- Working with 2 permittees on treatment needs and options for appropriating from zebra mussel infested waters.

Additional Resources

[Water Management](#)

Water Recreation Account

Brief Overview

- Governing statute: M.S. 86B.706
- Year established: 1985
- Public water access sites: 1,700
- Primary divisions: Parks and Trails, Enforcement, Fish and Wildlife, Ecological and Water Resources

Sources and Uses of the Funds

Money deposited in the fund is used for water recreation programs such as public water access, boating facilities, small craft harbors, and water safety.

The majority of money deposited in the Water Recreation Account comes from these sources:

- Fees from registration and titling of watercraft; and
- Unrefunded gasoline tax attributable to watercraft use.

Money in the Water Recreation Account can be used for these purposes:

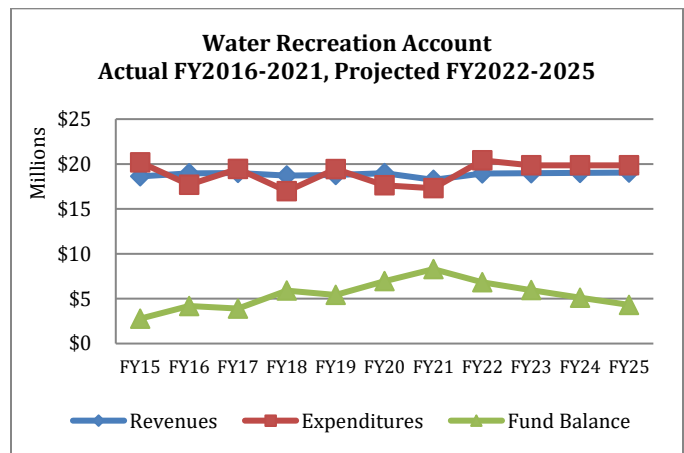
- Acquisition, development, maintenance, and rehabilitation of public water access and boating facilities on public waters, lake and river improvements, and boat and water safety;
- Maintenance, operation, replacement, and expansion of state-operated or state-assisted small craft harbors and mooring facilities, and the debt service on state bonds sold to finance these facilities;
- Administration and enforcement of Chapter 86B as it pertains to watercraft titling and licensing and the use and safe operation of watercraft;
- Grants for county-sponsored and administered boat and water safety programs;
- State boat and water safety efforts; and
- Management of aquatic invasive species.

Financial Summary	FY20	FY21
Beginning fund balance	\$5,417,543	\$6,953,858
Prior year adjustments	\$174,980	\$403,889
Revenues		
Watercraft Registration	\$6,829,387	\$7,340,406
Misc Receipts	946,583	1,047,729
Unrefunded gasoline tax & police state aid	<u>11,207,550</u>	<u>9,849,414</u>
Total Revenues	\$18,983,520	\$18,237,548
Expenditures		
Parks and Trails Mgmt	\$9,732,790	\$8,842,335

Financial Summary	FY20	FY21
Enforcement	4,769,106	4,548,433
Fish and Wildlife	1,390,723	1,613,572
Ecological and Water Resources Mgmt	1,191,898	1,683,818
Lands and Minerals	36,819	83,181
Conservations Corps Minnesota	25,000	25,000
Statewide Indirect	100,849	135,358
Invasive Species Account	375,000	375,000
Total Expenditures	\$17,622,185	\$17,306,696
Ending fund balance	\$6,953,858	\$8,288,599
Net change	\$1,536,315	\$1,334,741

Forecast

Major revenues to this account are watercraft registrations, license issuance, and watercraft titling (totaling 38%) and unrefunded gasoline taxes (56%). The fund balance is projected to decline due to appropriations exceeding revenues through FY25.



Revenue projections reflect the 2021 November Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2025.

FY2020-21 Accomplishments

- The Division of Parks & Trails maintains 1,670 public water access sites plus 10 small craft harbors on Lake Superior for safe boat launching and retrieval, and 4,500 miles of state water trails on 34 rivers for canoeing, kayaking, boating, and camping. A statewide recreational boating study was completed and the state water trail maps were redesigned.
- Monitored water quantity statewide including water levels on 932 lakes in 2020 and 921 lakes in 2021. Over 725 citizens assisted in collecting and reporting lake water levels to the DNR in FY20 and FY21. All reported lake level data are made available at the DNR LakeFinder website,

which is updated weekly for any new data entries.

- The Division of Enforcement trained 11,241 youth and adults in boating safety.
- Conservation Officers provided 47,488 hours of boating safety work on our lakes and rivers. This work includes safety checks, addressing illegal operation, and search and rescue.
- Completed over a dozen environmental review need determinations.
- Responded to over 1,100 fish and wildlife kill reports and pollution spill complaints, including hazardous materials spills.
- Provided technical assistance, GIS layers, and web-based tools to aid local governments with shoreland and river-related program administration, including: assisting with 33 shoreland, LSCR, WSR, and MRCCA ordinances and amendments; evaluating shoreland re-classification requests and discrepancies in 13 counties and cities, and refined internal procedures and recordkeeping; updating shoreland classification GIS layer for basins; and developing 2 new online mapping apps for MRCCA program administration.
- Issued more than 5,100 permits in FY20 and 6,700 in FY21 to lakeshore property owners to manage aquatic plants for access or reasonable recreational opportunity while protecting fish and wildlife habitat.
- The License Center issues all watercraft registrations and titles through a Web based

ELS available from 175 registration agents (deputy registrars).

- Water Recreation funds are often matched with federal boating access funds and support major improvements to the quality of public water access through development projects. These projects incorporate best management practices for accessibility, storm water runoff, shoreline erosion, and controlling the spread of aquatic invasive species. Water access renewal projects included: Burntside Lake in St. Louis County; Nisswa Lake, a cooperative effort with the City of Nisswa in Crow Wing County; Lake Alexander in Morrison County and Cedar Lake in Rice County. Water Recreation funds also supported preconstruction engineering, design, permitting and construction engineering for the following: Minnesota River – Cedar Ave, Dakota County; Minnesota River, Scott County; Ely Lake, St. Louis County and Big Sand Lake, Hubbard County.

Additional Resources

[Strategic Conservation Agenda](#)

[Grants Outcomes](#)

[State Comprehensive Outdoor Recreation Plan](#)

[Minnesota State Parks Strategic Plan](#)

[Long range conservation plans and strategies](#)