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Disposal of Publicly Owned Tax-Forfeited Land: A Minnesota Case Study

Paul V. Ellefson
Sally L. Palm
David C. Lothner

Station Bulletin 538—1980
Forestry Series 33

AGRICULTURAL EXPERIMENT STATION
UNIVERSITY OF MINNESOTA

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Authors:

Paul V. Ellefson is an associate professor of forest economics and policy and Sally L. Palm is a research assistant, both in the Department of Forest Resources, College of Forestry, University of Minnesota. David C. Lothner is an economist with the North Central Forest Experiment Station, Forest Service, USDA.

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Disposal of Publicly Owned Tax-Forfeited Land: A Minnesota Case Study¹

Introduction

Minnesota has a long and colorful history of events shaping the uses and management of the 18 million acres of forest land within its boundaries. Of major importance have been the political and economic circumstances which led to the 2.9 million acres of land currently held by the state in trust for county governments. Part of this acreage reflects policies of land acquisition. The overwhelming portion, however, is the consequence of large-scale tax delinquency which occurred during the 1920s and 1930s. More than 90 percent of this acreage is forested. As a land-owner category, Minnesota county governments administer 20 percent of the commercial forest land found within the state and nearly 17 percent of all county and municipal forest land nationwide.

Public policy regarding the use and management of county-administered forest land began to unfold in the late 1930s and continues to evolve today. In the 1930s, county administered land was subject to debate which focused on the pros and cons of public versus private ownership of land. The preponderance of opinion suggested that tax-forfeited land should be returned to private ownership as quickly as possible (Barlowe, 1951). Such was viewed as an acceptable policy in light of county governments' desire for a tax base from which to secure much needed operating revenue. The hoped for surge in private demand for county land — anticipated for the late 1940s — failed to fully materialize. And county governments found themselves continuing as custodians of large acreages of land, much of which was forested. Public ownership had become a policy not by design, but by default.

The economic environment of the 1960s, and especially the 1970s, fostered renewed private interest in the purchase of county-administered lands. Itasca County, for example, sold land at a rate of 3,000-4,000 acres annually during the 1950s. Annual sales in the 1960s, however, rose to 15,000-20,000 acres, with a peak annual sale of 27,000 acres occurring in 1970 (Lothner, *et al.*, 1978).

Some county governments have taken advantage of renewed private interest in purchasing tax-forfeited land by selling substantial acreages (*e.g.*, Pine County). In part, this reflects a continuing county desire to return such lands to the private sector where, hopefully, they will become generators of tax revenue. Other counties have been reluctant to dispose of the land they administer — at least they have become so in the last 5-10 years (*e.g.*, Itasca County). In all likelihood these counties view public ownership of forest land as a policy consistent with the interests of the publics they serve. To what extent county governments will choose to retain their land in the future, and for what purposes, remains to be seen.

TRENDS IN ACRES ADMINISTERED

Minnesota's tax-forfeited land is located primarily in the state's 16 northern counties. In 1964, these counties administered approximately 3.5 million acres — by 1977 the acreage had declined to 2.8 million acres (Figure 1). Considerable variation exists in the amount of tax-forfeited land administered by any one county (Figure 2).

Source: Lothner, *et al.*, 1978, and unpublished estimates of the Iron Range Resources and Rehabilitation Board (1975-1977).

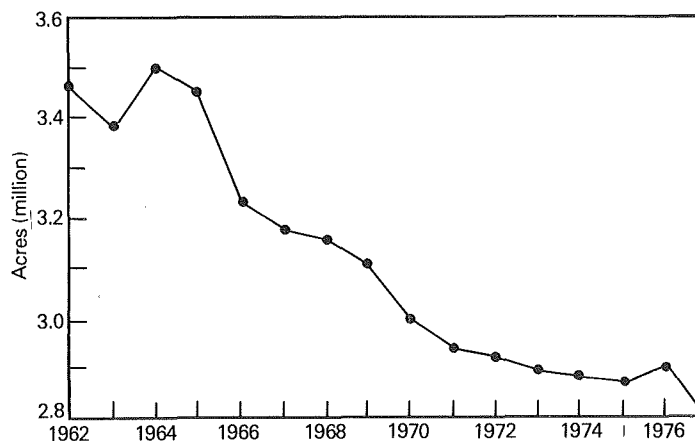


Figure 1. Total tax-forfeited acres in northern Minnesota counties, 1962-1977.

¹Research supported by the Economics of Timber Demand Work Unit, North Central Forest Experiment Station, Forest Service, USDA, Duluth, Minnesota; and the College of Forestry and the Agricultural Experiment Station, University of Minnesota, St. Paul, Minnesota.

Five counties — St. Louis, Itasca, Koochiching, Cass, and Aitkin — were responsible for administering 70 percent of the state's 1974 total tax-forfeited acreage. The lion's share, however (*i.e.*, 33 percent), was administered by St. Louis County. Hubbard and St. Louis counties have the largest portion of total land area within a county administered as tax-forfeited land (Figure 3).

Source: Lothner, *et al.*, 1978.

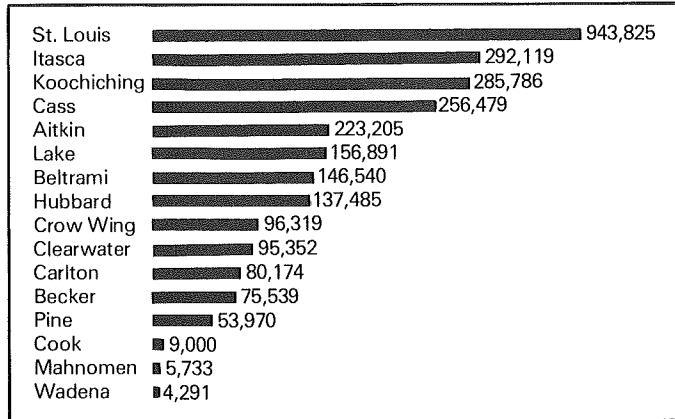


Figure 2. Tax-forfeited acres by county, Minnesota, 1974.

Source: Lothner, *et al.*, 1978.

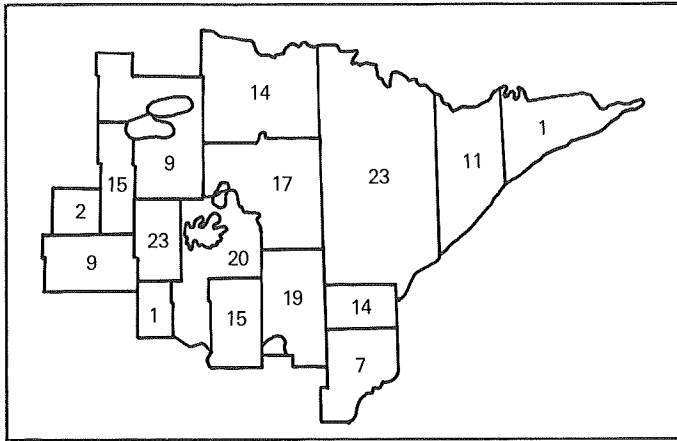


Figure 3. Percent of total county land area administered as tax-forfeited land by county, Minnesota, 1974.

TAX-FORFEITED LAND DISPOSAL POLICIES

State policies addressing public ownership of tax-forfeited land have evolved from repeated efforts to discourage land forfeiture to local taxing districts and to encourage the redemption of such land by private parties. In spite of policies thought worthy of achieving these laudable objectives, tax delinquency, tax forfeiture, and consequent public custody of land rapidly became permanent phenomena in the 1930s and early 1940s.² In

response, the state legislature set forth for debate three major policy options; tax-forfeited lands "could be placed in complete state ownership and management, with some form of liquidation of the equities of the counties and other local taxing districts; they could be placed in ownership of the state as trustee with provision for county administration and management under state supervision; or they could be sold to private purchasers if necessary at bargain rates" (Dana, *et al.*, 1960). Although each of the alternatives have, to some extent, been implemented, the legislature chose to place emphasis on the second — state ownership with county administration. A 1959 law, however, explicitly places the state in the position of encouraging return of tax-forfeited land to private ownership:

"Except as ownership of particular tracts of land should be held by the state or its subdivisions for a recognized public purpose in public access, it is the general policy of this state to encourage return of tax-forfeited lands to private ownership and tax roles through sale and classification of lands. . . ."³

Land Classification

Conservation Land

Current state policy addressing the disposition of tax-forfeited land rests heavily on state law which requires county boards to classify all tax-forfeited land as either conservation land or nonconservation land.⁴ Conservation land is viewed as having potential values that can best be developed by public ownership and management. In contrast, nonconservation land is viewed as having capability that can best be captured by private ownership and management. Although explicit definitions for these land categories are not stated in law, the classification considers the following:

- Present use of adjacent lands.
- Productivity of the soil.
- Character of forest or other growth.
- Accessibility of lands to established roads, schools, and other public services.
- Peculiar suitability or desirability for particular use.
- Encouragement of a mode of land utilization that will facilitate economical and adequate provision of transportation, roads, water supply, drainage, sanitation, education, and recreation.
- Facilitation of reduction in governmental expenditures.
- Conservation and development of natural resources.
- Development of agriculture and other industries.

Land classified as "conservation land" may be subject to further classification resulting in (1) eventual transfer of land management responsibilities from county government to another public agency or the private sector, or (2) "per-

²The state began a policy of taking title to tax-forfeited land in 1936. By 1945, 4.5 million acres of land delinquent on the 1927-1936 tax roles found its way into state ownership. Despite this state action, however, an estimated 4.8 million acres remained with local taxing districts in a tax-delinquent status (Dana, *et al.*, 1960).

³Minnesota Statutes, 1978. Section 282.01. Tax-forfeited Lands.

⁴Minnesota Statutes, 1978. Section 282.01. Tax-forfeited Lands.

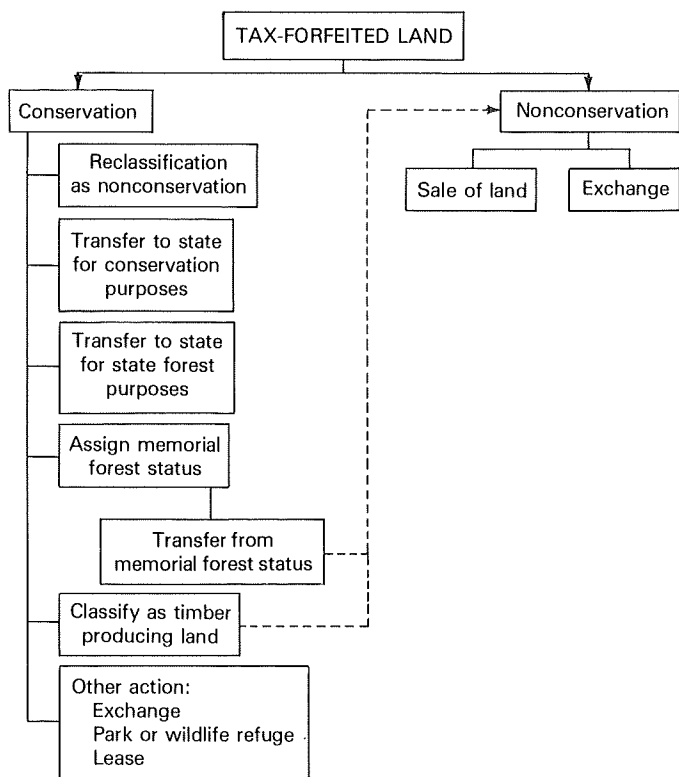


Figure 4. Possible disposition of tax-forfeited land, Minnesota.

manent” retention of tax-forfeited land by county governments (Figure 4). Actions that can be taken include:

1. **Reclassification as nonconservation land.** Conservation land may be reclassified as nonconservation land and subsequently offered for sale to private parties.⁵

2. **Transfer to state for conservation purposes.** The Department of Natural Resources may assume management of conservation land if such management is desired by a county board and is acceptable to the commissioner of the department.⁶ Such land is held by the state free from any trust in favor of any and all taxing districts. County governments receive 50 percent of the gross income derived from conservation land managed by the department. The apparent intent of the law is to relieve interested counties from responsibility for managing tax-forfeited land (Dana, *et al.*, 1960).

3. **Transfer to state for state forest purposes.** Conservation land lying within or adjacent to a state forest and which is suitable primarily for timber production, may be transferred to the Department of Natural Resources.⁷ Such a transfer assumes agreement on behalf of the county and the commissioner of the department.

4. **Transfer to or from memorial forest status.** Conservation land may be placed in “memorial forest” status upon favorable resolution by a county board.⁸ The county retains administrative responsibility for management of the

lands. Any monies received as income from the memorial forest may be expended by the county for development and maintenance of dedicated forest. County boards, with approval of the Department of Natural Resources commissioner, may withdraw conservation lands from memorial forest status and transfer it via sale to private parties.⁹ Such action assumes that purposes more suitable than memorial forest purposes have been found for the land.

5. **Classification and subsequent sale of timber producing land.** Upon approval of the commissioner, Department of Natural Resources, conservation land may be found by county boards to be “. . . primarily suitable for timber production. . . .” Land so classified “. . . should be placed in private ownership for such purposes.”¹⁰

6. **Other action.** Transfer of land management responsibility from county government to other governmental units or the private sector may occur in a number of other ways. For example, land exchanges in which there is a net transfer of land from county government; transfer of land to state government as state park land or state wildlife refuge land; sale or transfer of land to municipalities; and land leases to individuals, corporations, or the state.

Nonconservation Land

State policy concerning tax-forfeited land classified as nonconservation land is quite explicit: “. . . parcels of land classified as nonconservation shall be sold at public or private sale. . . .”¹¹ Veterans applying to county boards for purchase of no more than 320 acres of nonconservation land to be used for agricultural purposes have — in the past — been given special consideration. The state law granting such preferences expired on January 1, 1976.¹²

Criteria Guiding Land Disposal

Disposition of tax-forfeited land is guided by numerous criteria as stated in law or subsequent interpretation of law by state and county administering agencies. In general, the criteria are of three major types:

1. Administrative requirements (*e.g.*, county board approval versus Department of Natural Resources approval);
2. Physical land characteristics (*e.g.*, agricultural potential versus timber potential);
3. Political preferences (*e.g.*, public sector managed conservation land versus private sector managed land).

State Law

State law sets forth numerous criteria that guide the sale or retention of tax-forfeited land. Consider the following examples. Decisions to transfer tax-forfeited land to the state for conservation purposes must meet the following:¹³

⁹Minnesota Statutes, 1978. Section 459.06. Subdivision 3. Municipal and Memorial Forests. Withdrawal of tax-forfeited lands.

¹⁰Minnesota Statutes, 1978. Section 282.01, Subdivision 2. Tax-forfeited Lands. Conservation lands under supervision of county board.

¹¹Minnesota Statutes, 1978. Section 282.01, Subdivision 3. Tax-forfeited Lands. Sale of nonconservation lands.

¹²Minnesota Statutes, 1978. Section 282.031. Nonconservation Land, Purchase by Veterans; Application.

¹³Minnesota Statutes, 1978. Section 282.01, Subdivision 2. Tax-forfeited Lands. Conservation lands under supervision of county board.

⁵Minnesota Statutes, 1978. Section 282.01. Tax-forfeited Lands.

⁶Minnesota Statutes, 1978. Section 282.01, Subdivision 2. Tax-forfeited Lands. Conservation lands under supervision of county board.

⁷Minnesota Statutes, 1978. Section 89.034. Tax-forfeited Land, Inclusion in State Forests.

⁸Minnesota Statutes, 1978. Section 459.06, Subdivision 2. Municipal and Memorial Forests. Tax-forfeited Lands.

- Favorable resolution by county board.
- Acceptance of management obligations by commissioner, Department of Natural Resources.
- Title to land to be held by the state free from any trust in favor of any and all taxing districts.
- Lands capable of being devoted to purposes of forestry, water conservation, flood control, parks, game refuges, controlled game management areas, public shooting grounds, or other public recreation or conservation uses.

Similarly, in order to transfer tax-forfeited land to the state for state forest purposes, the following must be met:¹⁴

- Land lies within the boundaries of a state forest or is “. . . certain tax-forfeited land lying outside of such boundaries. . . .”
- Land suitable primarily for the growing of timber or timber products.
- Favorable resolution by county board.
- Land can best be managed and developed as state forest land.
- Acceptance of management obligations by commissioner, Department of Natural Resources.
- Title to land to be held by the state free from any trust in favor of any and all taxing districts.

Placement of tax-forfeited land in memorial forest status is predicated on two basic criteria:

- Favorable resolution by a county board.
- Finding that the land “. . . is more suitable for forest purposes than for any other purpose. . . .”¹⁵

Timber producing capabilities of conservation land can also trigger action leading to disposal of tax-forfeited land. Such criteria presumes the following:

- Lands “. . . primarily suitable for timber production. . . .”
- Lands “which should be placed in private ownership for (timber) purposes.”
- Approval of the commissioner, Department of Natural Resources.

Sale of nonconservation land is guided by a very fluid standard — the county board deems it advisable to sell. In making such a decision, the board must consider:¹⁶

- Accessibility to the land.
- Proximity to existing public improvements.
- Effect of sale and occupancy on public burdens.

Very specific criteria guide the disposition of tax-forfeited land having mineral potential or located near public waters. Tax-forfeited land located within a Department of Natural Resource’s mineral unit is withdrawn from sale¹⁷ (Legislative Commission of Minnesota Resources, 1977). Likewise, tax-forfeited land “. . . which borders on or is adjacent to meandered lakes and other public waters and waterways . . . is hereby withdrawn from sale.”¹⁸

¹⁴Minnesota Statutes, 1978. Section 89.034. Tax-forfeited Lands, Inclusion in State Forests.

¹⁵Minnesota Statutes, 1978. Section 459.06. Subdivision 2. Municipal and Memorial Forests. Tax-forfeited Lands.

¹⁶Minnesota Statutes, 1978. Section 282.01, Subdivision 3. Tax-forfeited Lands. Sale of nonconservation lands.

¹⁷Minnesota Statutes, 1978. Section 282.12. All Minerals Reserved.

¹⁸Minnesota Statutes, 1978. Section 282.018. Tax-forfeited Land; Meandered Lakes; Sale; Exception.

The exceptions to the latter are land parcels having less than 50 feet of waterfront.

Exchange of tax-forfeited land for land owned by private parties or other governmental units is also a means by which responsibility for tax-forfeited land can be relinquished. Depending on the nature of the exchange agreement, there may be a net loss, a net gain, or no change in the amount of tax-forfeited land administered. State law specifically authorizes exchange of land “. . . for land of the United States or privately owned land in the same county. . . .”¹⁹ Criteria which guide the disposition of tax-forfeited land via exchange include the following:

- Land does not border on or is not adjacent to any public waters.
- Favorable action by county board, Land Exchange Commission, and commissioner, Department of Natural Resources.
- Land parcels involved in the exchange are in the same county.
- Land has been classified for sale.
- Land to be exchanged for privately owned land does not lie within “any zone or district which is restricted against any use for which the land may be suitable.”
- Land to be exchanged for land that is, at least substantially, of equal value to the state.

DNR Interpretation of State Law

The examples of criteria provided so far can be found in state law. There are, however, numerous criteria that represent interpretation of state law. For example, the inventory portion of the Department of Natural Resource’s Land Use Classification Program specifies the following options for the disposition of tax-forfeited land (Minnesota Department of Natural Resources, 1978):

- Retain for conservation.
- Retain for other purposes (gravel, minerals, administrative sites, demonstration).
- Provisional (lands that should be retained in public ownership until adequate information is obtained to support retention or disposal).
- Disposal by sale.
- Disposal by exchange.

The category to which a parcel of tax-forfeited land is assigned is determined in large measure by county recommendations. The latter are guided by county and state assignment of land use to the parcel in question, (e.g., urban development, agriculture [cultivation and pasture], mining, recreation or aesthetic, conservation, game and fish, commercial peat or gravel, and access to lake or other land).

The program portion of the Land Use Classification Program provides additional guidance on the disposition of tax-forfeited land by identifying “factors” that are to be considered when declaring lands to be surplus to state and county needs (Aitkin County and Minnesota Department of Natural Resources, 1973). These factors include:

¹⁹Minnesota Statutes, 1978. Section 94.341 through Section 94.344. Also Senate File No. 905 [Minnesota Statutes, Sec. 94.349], May 22, 1979.

- Short-range need of the state and counties.
- Long-range plans of the state and counties.
- Cost of managing land if retained in public ownership.
- Cost of protection if retained in public ownership.
- Physical characteristics of the land.
- Expectancy of natural resource production on the land, if extensively or intensively managed.
- Abundance of renewable natural resources within the area, county, or state.
- Economic potential to the community if converted to private development.
- Tax-base potential if converted to private development.
- Economic liability if converted to private ownership.

County Interpretation of State Law

County governments have adopted explicit policies concerning the disposition of tax-forfeited land. These policies are unique to the forest and political climates of the county. Itasca County, for example, has declared retention of tax-forfeited land in public ownership as a worthwhile goal (Itasca County, 1975). County policy is to maintain a stable county forest land base for the purpose of multiple-use management. Decisions regarding land disposal are to be guided by a land classification program which systematically reviews the options for tax-forfeited land (e.g., retain, provisional, exchange, dispose by sale). Itasca County limits the amount of tax-forfeited land to be offered for sale each year to not more than 2,500 acres. Crow Wing County has also directed attention toward the disposition of tax-forfeited land (Crow Wing County, 1977). County policy is quite explicit on matters concerning public ownership of tax-forfeited land:

"... it is acknowledged and there is a recognized need to maintain tax-forfeited lands in public ownership."
 "... if this (tax-forfeited) land is to be retained under the jurisdiction of Crow Wing County, we also have an obligation to manage these lands to provide a good level of public benefits."

Crow Wing County is currently in the process of developing a county forest management plan that will further define and provide the means by which the above policy statements could be implemented.

County governments may limit the use of lands sold to private individuals or corporations. State law specifies that "there may be attached to the sale of any parcel of any tax-forfeited land, if in the judgment of the county board it seems advisable, conditions limiting the use of the parcel or limiting the public expenditures that shall be made for the benefit or otherwise safeguarding against these parcels unduly burdening the public treasury."²⁰

LANDOWNERSHIP POLICY ISSUES

Private interest in the purchase of county administered land — as is reflected by increases in acreage sold and rises

in the sale price per acre — surfaces very basic questions regarding long-range, forest landownership policy in Minnesota. This is especially so with regard to the sale of county administered lands and the acquisition of additional land by county governments. The difficulty in developing such policy has been well stated (Dana, *et al.*, 1960):

... advocates of change (*i.e.*, county ownership) in every conceivable direction exist. Some think that public ownership has already gone far enough, perhaps too far. Others see virtue in the expansion of public ownership at various levels of government. The differences in point of view are due largely to the diversity of emphasis placed on different objectives and to ignorance of the efficiency of various classes of owners in attaining those objectives.

The extent to which adjustments ought to be made in the amount of forest land administered by county governments is far from clear. Sale of selected parcels of county land to private individuals and corporations could continue at rates experienced in the past. If the consequences of doing so prove disappointing from a social viewpoint, future land sales could be curtailed and forest land previously sold could conceivably be returned to county ownership via a land purchase program. Regardless of the direction in which the forest ownership adjustments occur, policies responsible for such changes should be founded on a thorough understanding of the forestry objectives being sought and the relative efficiency of various public and private landowner categories used to achieve these objectives.

Such an understanding implies answers to questions of the following nature: What benefits and costs result when forests are placed in various landowner categories? Are certain forest outputs (*e.g.*, water, wildlife, timber, recreation) produced in a more efficient manner by one landowner category than by another? What units of government should be involved in decisions to sell county administered forest land? Are more than county interests at stake? If viewed as desirable, what guarantee against "poor" forest practices should county governments secure from purchasers of county forest land? What sort of policies would prevent forfeiture of previously forfeited forest land? And which user groups would benefit from the sale of county land and which would be burdened with additional costs? Questions of this nature are extremely difficult to address. They must, however, be confronted when forest policies directing adjustments in the amount and type of county administered forest land are being developed.

Adjustment in land ownership through sale or purchase of forest land is not the only means of pursuing forestry objectives deemed desirable from a social viewpoint. Public programs designed to encourage investment in the management of forest land which is privately owned can also be employed. For example, if land sold by county governments to private individuals or corporations has not been subject to forest management levels considered desirable, educational, subsidy, or regulatory programs may be called upon to provide the knowledge, financial resources, or legal motivation necessary for a more acceptable management level. Programs of this type are most

²⁰Minnesota Statutes, 1978. Section 282.03, Limitations in Use of Lands.

definitely alternatives to a county or state program of re-acquiring forest land previously sold by county governments.

As with policies to sell or acquire forest land, public decisions to carry out extension, subsidy, or regulatory programs must also be founded on sound information. If these programs are designed to focus on private forest land which previously had been in county ownership, their success will hinge in part on information regarding the use to which such land has been put and the management level it is receiving. More specifically, is the land being used for the production of wildlife, timber, recreation, water, or some combination thereof? Are these uses consistent with overall public objectives regarding land use? What investments have been made in forest management practices and what future investment plans are envisioned? Has the land again changed ownership? And what financial support and forestry advice has the landowner sought and from whom?

Itasca County: A Case Study

OBJECTIVES

A study designed to explore the consequences of tax-forfeited, land disposal policies was undertaken in 1977. Of fundamental concern was the effectiveness of various landowner categories to achieve forestry objectives deemed socially desirable. To fully explore this concern would entail identification and evaluation of all benefits and costs attributable to forest land when placed in various landowner categories. Only then could landowner categories be compared and judgements be made regarding their relative efficiency and effectiveness. Obviously, the resources needed to fully address these concerns are substantial. Consequently, this study was restricted to a single major landowner category comprised of individuals and families. The information gathered from such landowners is viewed as a start toward amassing the knowledge required to judge landownership performance and subsequently recommend forest landownership patterns for Minnesota.

The study's specific objectives were as follows:

1. Determine the current and expected use of forest land sold by county governments to individuals and families.
 - Size, number, and sale of ownerships.
 - Use for which land was acquired.
 - Current and planned future use.
2. Determine the current and expected management activities which have been focused on forest lands sold by county governments to individuals and families.
 - Preparation of management plan.
 - Forest protection.
 - Timber, wildlife, and recreation practices.
3. Determine a profile of the social and economic character of individuals and families having purchased forest land from county governments.
 - Owner residence.
 - Demographic character.
 - Type of owner (individual, joint ownership, family).

SCOPE

Minnesota has a number of counties that have sold or exchanged forest land under their administration. The study focused on one county — Itasca County — which was judged to best meet the following criteria:

- Active history of forest land sales and exchanges.
- Forest resources capable of producing a wide variety of outputs (e.g., timber, water, wildlife, recreation).
- County land purchasers that have a wide variety of forest land use and management objectives.
- County government capable of and interested in cooperating in details necessary for successful completion of the study, e.g., access to names and addresses of individuals and families purchasing county forest land.

METHODS

The names and addresses of land purchasers, together with date of purchase, parcel acreage, and parcel location, were obtained from Itasca County tax-forfeited land sale records. Land sales of over ten acres in size were examined for the period of January, 1960, through June, 1977. Current county tax records were inspected to determine if the current landowner was the original purchaser of the land. If not, the history of ownership on that parcel was traced through the county plat books and deed records. The number of owners and dates of intermediate sales were recorded.

A questionnaire was developed and sent to individuals and families that had purchased land from Itasca County between January, 1960, and June, 1977 (Palm, 1978). Via the questionnaire, the landowners provided information on: 1) uses of forest land purchased from Itasca County, 2) forest practices applied on their lands, and 3) social and economic characteristics of the purchaser. A follow-up mailing was made to nonrespondents two weeks after the initial mailing. There were 271 usable returns out of mailings to 474 landowners.

RESULTS

Acreage Purchased

Itasca County has had an active history of land sales. Since 1950, approximately 190,000 acres of tax-forfeited land has been sold. Sales between January, 1960, and June, 1977, totaled nearly 130,000 acres. Of the latter, individuals and families purchased 33,000 acres — 25 percent of the total. Seven major corporations purchased 92,600 acres — 72 percent of the total. And 21 small businesses and miscellaneous organizations (e.g., hunting clubs) purchased the remaining 4,400 acres.

The average acreage purchased by families and individuals was 66.5 acres.²¹ The amount purchased ranged from a ten-acre minimum set by the study, to 961 acres.

²¹The study respondents purchased 17,500 acres of land — approximately 58 percent of the land sold by Itasca County to individuals and families during the study period.

Many of the purchasers had also acquired land from other sources. The average total land owned (tax-forfeited purchases and other purchases) was 143 acres and ranged from ten acres to 1,540 acres (Table 1).

Demographic Characteristics

A very diverse group of persons purchased tax-forfeited land from Itasca County between 1960 and 1977. The age of purchasers ranged from 21 to 95 years with an average age of 48. Over half had completed at least 12 years of education, and 16 percent had completed 17 or more years of school. Median incomes of purchasers fell in the \$15,000 to \$19,000 income class. Twenty-two percent of the land purchasers had incomes greater than \$25,000 before taxes. Nearly half were employed in "blue collar" occupations (e.g., craft and kindred workers, service workers, and farm workers). One out of every three were in "white collar" occupations (e.g., professional, managers, sales, and clerical).

Table 1. Distribution of total acreage owned and of tax-forfeited acreage purchased by individuals and families, Itasca County, Minnesota, 1960-1977.

Size class	Total acres owned	Tax-forfeited acres purchased
	(percent)	(percent)
10-40 acres	41	64
41-160 acres	38	29
161-640 acres	18	6
641 + acres	3	1
	100	100

The permanent residence of tax-forfeited land purchasers were scattered, although two main areas of concentration occurred. Approximately 52 percent of the individuals and families lived in Itasca County. Seventeen percent resided in the seven-county metropolitan area of Minnesota while 13 percent were residents of states other than Minnesota.

Land Uses

Purchasers of tax-forfeited land from Itasca County were questioned as to their reasons for purchasing the land, their current use of the land, and their plans for future use of the land. The most often cited reasons for purchase were use of the land for a permanent residence and for wildlife recreation (e.g., place for hunting and fishing, and for observing wildlife). Changes in land use intentions from original reason for purchase, to current use, through planned future use were most noticeable for land purchased for investment reasons or for "satisfaction" of ownership. As a rationale for landownership, using the land for investment reasons becomes more important to the owner through time. Use of land for second homes and satisfaction of ownership declines in importance (Figure 5). Future timber growing intentions also decline.

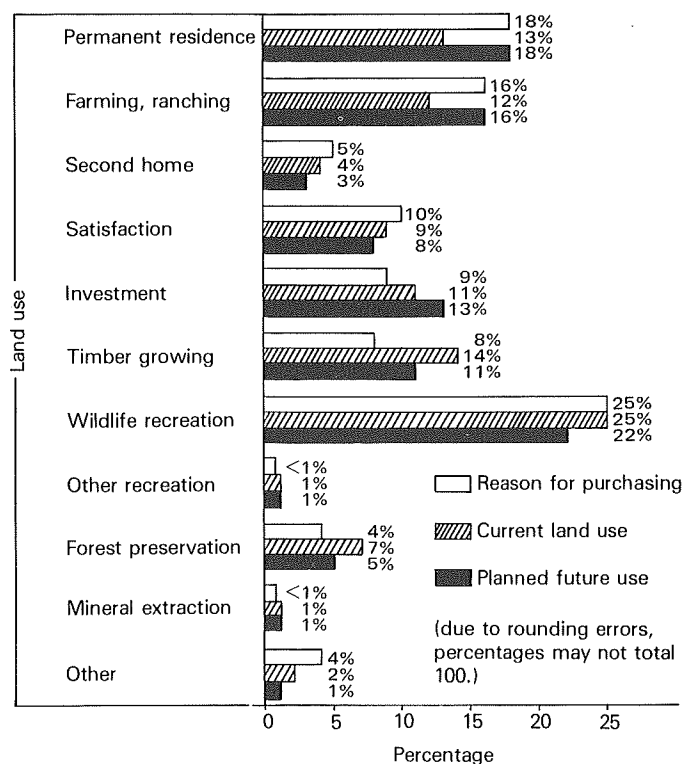


Figure 5. Change in use of tax-forfeited land purchased by individuals and families, Itasca County, Minnesota, 1977.

Management Practices

Purchasers of tax-forfeited land were also questioned as to the forest management practices that had been or will be carried out to achieve their land use objectives. Management areas of interest were forest protection, timber management, wildlife management, and recreation management. Their efforts to prepare a forest management plan and awareness of forestry services were also questioned.

Management Plan. Twenty-two of the 271 landowners responding to the study stated that a forest management plan had been prepared for all or part of the tax-forfeited land they had purchased from Itasca County. The plans had been prepared by a variety of people representing (unofficially) the Minnesota Department of Natural Resources, Soil Conservation Service, Blandin Paper Company, County Extension Forester, and the U.S. Forest Service. The details of the plans and their intensity are not known.

Ten percent of the landowners stated they intend to have a management plan prepared within the next five years. Another quarter of the respondents indicated an interest in having a management plan prepared — saying they might have a plan prepared in the next five years. Several respondents asked specifically for information on how to get a management plan prepared.

Awareness of Forestry Services. A variety of forestry services are offered to landowners by public and private organizations. Purchasers of tax-forfeited land identified most frequently with the Itasca County land commissioner, county extension agent, and the Minnesota Depart-

Table 2. Source of forestry services of individuals and families purchasing tax-forfeited land, Itasca County, Minnesota, 1960-1977.

Source of forestry service	Portion of landowners*	
	Heard of services (percent)	Used services (percent)
Minnesota Department of Natural Resources	50	10
County extension agent	52	11
Soil Conservation Service	46	9
Private consulting forester	15	2
Itasca County land commissioner	53	14
University of Minnesota	37	3
Forest industry	24	1
U.S. Forest Service (state and private forestry)	32	4
Other organizations	5	1

*Landowners listed multiple source of services, consequently percentages total more than 100.

ment of Natural Resources (Table 2). They were also the individuals or agencies whose services were used most often by the landowners.

Forest Protection. Forest protection activities were not common among landowners. Two-thirds indicated they had not undertaken practices to protect their forest from fire, insects, or diseases. Fifty-seven percent, however, expressed plans to do so in the future. The activity undertaken by the largest proportion of the landowners (20 percent) was removal of diseased or insect infested trees. Only 9 percent of the landowners had constructed a firebreak on their land, and 6 percent had purchased equipment used in protection activities (*e.g.*, backpack water cans, shovels, or an axe).

Timber Management. Well over half the landowners (60 percent) had applied some timber management activities to their land, and two-thirds were making plans to do so in the future. Thinning timber stands and planting trees were relatively common practices (Table 3). Two out of every

ten owners had undertaken some tree planting. The latter averaged, however, only 2.6 acres per owner. The timber management activity affecting the largest average acreage per owner was construction of roads and skid trails. Twenty-two percent of the landowners had harvested an average of 5.6 acres each.

Wildlife Management. The majority of the landowners (54 percent) had not undertaken wildlife management activities on the land purchased from Itasca County, although nearly 60 percent indicated they planned to do so in the next five years. One-fourth had undertaken cuttings to create wildlife food and cover — a like portion had built brush piles for small game habitat (Table 4).

Table 4. Wildlife and recreation management practices of individuals and families purchasing tax-forfeited land, Itasca County, Minnesota, 1960-1977.

Management activity	Portion of owners undertaking activity (percent)	Portion of owners planning to undertake activity (percent)
<u>Wildlife management</u>		
Food plots planted	11	19
Openings created	17	19
Cuttings done to produce food and cover (<i>i.e.</i> , aspen cutting for grouse)	27	32
Water improvements created	4	10
Brush piles built for small game	26	27
<u>Recreation management</u>		
Build trails	19	14
Scenic plantings	8	15
Remove trees and brush to improve aesthetics and access	19	22
Build campsites	4	2
Build picnic sites	3	1
Improve beach areas	1	1
Post land to exclude recreation uses considered undesirable	22	24

Table 3. Timber management activities of individuals and families purchasing tax-forfeited land, Itasca County, Minnesota, 1960-1977.

Timber management activity	Portion of owners undertaking activity (percent)	Portion of owners planning to undertake activity (percent)	Acreage treated per owner (acres)	Maximum treated acreage by a single owner (acres)
	(percent)	(percent)	(acres)	(acres)
Site preparation	12	7	0.7	40.0
Planting trees	20	25	2.6	160.0
Improvement cuttings	14	20	1.7	80.0
Thinning	22	33	2.9	80.0
Timber inventory	9	10	7.0	300.0
Road and skid trail construction	21	18	9.8*	700.0*
Marking trees	3	8	0.2	25.0
Harvesting trees	22	30	5.6	200.0
Slash disposal	10	17	1.9	100.0
Other activities (<i>i.e.</i> , pruning)	5	4	—	—

*Acres accessed.

Recreation Management. As with most other management activities, the majority of the landowners (53 percent) had not undertaken any recreation management activities and half are not planning to do so in the near future. Posting land to exclude recreation uses considered undesirable was the most frequent activity (Table 4). Approximately 2,800 acres of the 17,000 acres represented by the respondents to the study had been posted (16 percent).

Land Tenure and Plans to Sell

The average length of ownership by the present owner of a tract of land originally owned by Itasca County was 8.5 years. On 69 percent of the parcels studied, the present landowner was the individual or family that had originally purchased the land from Itasca County. For 31 percent of the parcels, the owner was not the original purchaser — 20 percent were the second owners of the parcel, 8 percent were the third owners, and slightly more than 3 percent were the fourth or later owners (up to six ownership changes were found on several parcels). Average length of intermediate ownerships was 5.6 years.

The vast majority (81 percent) of the landowners, however, do not plan on selling land once owned by Itasca County — at least they do not plan on doing so for the next five years. Only 6 percent stated definite plans to sell. Thirteen percent were not sure.

Important Relationships

Information provided by landowners was examined to determine if important and strong relationships existed between the many variables being studied. The examinations were made by fitting a model of independence to two-way cross classification of pertinent data (Feinberg, 1977). The following relationships are highlighted:

- Landowners residing in Itasca County tended to purchase land for permanent residences and farms; landowners in Minnesota's seven county metropolitan area purchased land primarily for wildlife recreation purposes; and out-of-state landowners tended to purchase land for the "satisfaction" of owning land.
- Compared with other owners of tax-forfeited land, those residing in Itasca County were more likely to undertake forest management activities. Landowners from the seven-county metropolitan area had undertaken more recreation management activities than owners located elsewhere, and were more likely to be planning timber and recreation management activities than other owners.
- Landowners stating they had not undertaken forest protection activities, were not planning timber management activities, or had not undertaken or planned wildlife management activities, owned significantly fewer acres of tax-forfeited land than those who had done or were planning such management activities.
- Relationships between landowners' awareness of available forestry services and forest management activities undertaken or planned were almost nonexistent.

- Landowners' plans to sell had little relationship to current or planned management activities — except in the area of wildlife recreation. Owners having undertaken wildlife management activities were less likely to plan on selling their land.
- No relationship was found between landowner's income and forest management activities undertaken or planned for the future.

MANAGEMENT IMPLICATIONS

Itasca County has sold approximately 130,000 acres of tax-forfeited land during the January, 1960, to July, 1977, period. Twenty-five percent of this total — 33,000 acres — is now owned by individuals and families. The consequences of tax-forfeited land sales to these purchasers has received a preliminary review. What implications does the review hold for statewide, tax-forfeited land disposal policies?

Public access. Public policy encouraging consumption of certain public benefits produced by the private landowner may be thwarted by sale of tax-forfeited land to individuals and families. One out of every four acres of Itasca County tax-forfeited land was sold to individuals and families intent on using the land for permanent residence, farming, or ranching. Thirty-five percent of the landowners cited such uses for the future. Owners using land for these purposes have a desire for privacy, a need to keep crop damage to a minimum, a fear of being liable for trespasser's actions, and concern over possible hazards resulting from discharge of firearms. These desires and concerns may curtail the landowner's interest in providing free and easy access for those interested in consuming the "public" benefits that the landowner's forest can produce (e.g., hiking, hunting, fishing).

In addition, the practice of "posting" land to preclude recreational activities deemed undesirable by the landowner can further curtail opportunity for consumption of public benefits often supplied by the private landowner. Almost one-fourth of the landowners studied have already posted part or all the land which was once owned by Itasca County. Such is equivalent to 16 percent of the land sold to individual and family landowners by the county between 1960 and 1977.

Production of forest outputs. Public interest in encouraging a high level of forest output from all forest ownerships and in manners consistent with physical, economic, and political principals may not be served by the sale of tax-forfeited land to individuals and families. Most individuals and families acquiring tax-forfeited land from Itasca County are not actively involved in the management of their forest. Roughly half the owners have failed to undertake any forest management activities, nor do they plan to do so in the future. Management investments that have been undertaken involve only 10-15 percent of the acreage sold between 1960 and 1977. This poor track record may be reflective of prevailing market conditions as well as the availability of forestry services for the landowner. A word of caution. A critical perspective of current management undertaken by individuals and families presumes that alternative landowner categories — including county ownership — could and would invest more heavily in forest management. Such is not yet clear.

Land tenure. Presuming that frequent sale of forest land makes long-range forest management plans difficult to maintain, the sale of tax-forfeited land to individuals and families may pose difficulties for public interest in securing long-term commitments to forest management. One-third of the parcels studied had been owned by two owners, sometimes three or four, within the 18-year study period. The average length of ownership was only five to six years.

Forestry services. Individuals and families acquiring tax-forfeited land in Itasca County have only a limited understanding of the forestry services that are available to them. In most cases, over half the owners had not heard of the services offered by a variety of public and private forestry organizations. The most often used organization had been used by only 14 percent of the landowners. Ten percent of the owners indicated they were committed to preparing a forest management plan within the next five years while another 25 percent said they might prepare a plan. This latter group of "maybes" hold strong potential if they can be convinced that a management plan is an integral part of better and more useful land management. Convincing them is a role that can be played more strongly by the organizations that presently offer forestry services and information.

Geographic focus. For Itasca County there may be stronger potential for management of tax-forfeited land acquired by individuals and families. Over half the individuals and families purchasing tax-forfeited land from Itasca County reside in the county. In general, they seem to be a more active group of individuals and families in terms of undertaking forest management practices. Programs aimed at these owners could possibly impact half of the land sold to individuals and families between 1960 and 1977.

Conclusion

Forests administered by Minnesota's county governments offer tremendous potential to provide a wide range of benefits important to the social and economic well-being of the state and region. The extent to which this potential is captured will depend in large measure on implementation of effective statewide policies concerning forest land ownership. State policy is currently designed to "... encourage return of tax-forfeited lands to private ownership. . . ." ²² Whether such an approach is truly consistent with statewide public interest in forestry is not entirely clear. This review of a single landowner category in Itasca County raises some doubts about the policy's effectiveness.

What of the future? An effective landownership policy focused on tax-forfeited land must rest on reliable and current information. Research efforts to secure this much needed information are challenging. Among the many questions that need to be addressed are the following:

From a broad perspective, what is the relative effectiveness of various landowner categories to achieve socially desirable objectives via forestry activities?

In addition to the individual and family landowner category addressed by this study, to what uses have corporations directed the forest land they purchased from county governments, and has the level of investment in such lands been acceptable from a social perspective?

Likewise, what would the management track record have been if forest land sold by county governments had, in fact, been retained and managed by counties — better or worse than in private ownership?

And what of the land disposal consequences in other counties? Is Itasca County truly reflective of what happens when tax-forfeited land is sold?

Puzzling as these questions may be, they must become part of future research efforts if Minnesota is to have the information necessary to make wise choices concerning the ownership, use, and management of the 2.9 million acres of land currently administered by county governments.

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²²Minnesota Statutes, 1978. Section 282.01. Tax-forfeited Lands.