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The Legislative Commission on Minnesota Resources has been a major sponsor of public land management innovation in Minnesota. Through LCMR support, a series of public land management projects have been undertaken by the DNR. The objective has been to ensure that public land stewardship effectively serves the public interest. This report is an update of work originally completed in August 1987 as a joint effort from several of those projects.

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DNR Administered Public Lands

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September 1989

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I. INTRODUCTION:

Minnesota's natural resources have been the basis for the state's economy since before statehood. Native American society was wholly dependent on the state's natural resources. As successive groups of immigrants moved into the state in the territorial years, the economy remained dependent on natural resources, though the nature of the economic activity changed markedly. Fur trapping, timber production, mining, agriculture and more recently outdoor recreation have all been major components of Minnesota's economy. Today, the economy is more diversified, although natural resource industries continue to account for a significant share of the state's economic activity.

Natural resources also have shaped Minnesota's lifestyle and settlement patterns. Lakes and timberland provide ample opportunities for outdoor recreation and contribute to the state's reputation for high quality of life. They also helped shape a rural development pattern that is uniquely oriented to water resources.

Public lands and waters play an important role in supporting resource industries. Much of Minnesota's timber and mineral development and outdoor recreation industries are based on resources from public lands and waters. Effective stewardship of these resources guarantees their continued importance for resource industries.

Public interest has shaped the land and water stewardship approaches of federal, state and county land managers. However, the definition of public interest has changed since early settlement. That change is reflected in public land ownership patterns and management. This report describes the origin of DNR-administered public lands and waters in Minnesota and the way in which those resources are currently managed to serve the public interest.

II. HISTORY OF STATE LAND OWNERSHIP

"In the 125 years since statehood, Minnesota has evolved from a land broker to a land nurturer. Initially, the state simply presided over the disposal of the public domain . . . Today, state government is more often expected to protect, preserve, and maintain specific lands in the interests of all Minnesotans."

(From: Evaluation of State Land Acquisition and Disposal, Office of the Legislative Auditor, March 14, 1983.)

A. Surface Ownership

Minnesota experienced three phases of state acquisition of surface land ownership. These are the federal grant phase, the tax forfeiture phase and the public interest acquisition phase. Each phase occurred in different periods and served distinct resource management objectives.

The federal grant phase began shortly after Minnesota became a territory in 1849. At that time, all land in Minnesota was owned by the federal government subject to Indian occupancy rights. Beginning in 1857 and continuing until 1960, the federal government granted a total of 16,532,129 acres to the state. (See FIGURE 1.) Federal grants sought to achieve several public interest objectives including support for public schools, development of railroads and extension of agriculture. (Federal grants included salt spring, university, common school, and swamp among others.) The state sold most federal grant land but still holds title to approximately 2.6 million acres, most of which is managed for the trust (trust lands) in support of public schools.

The tax forfeiture phase began in the 1800's and continues today. The primary period of tax forfeiture occurred during the 1920's and 1930's. Economics has been the driving force for tax forfeiture. Abandonment of cut-over timber land was the first major cause of tax forfeiture. However, unsuccessful farming efforts are the primary source of today's tax forfeited public lands. Many areas of Minnesota have marginal potential for crop production. Downturns in the farm economy caused large scale property tax default in these marginal areas.

Figure 1**Federal Land Grants to Minnesota**

<u>Year</u>	<u>Purpose</u>	<u>Acres Granted</u>
1851	Establishment and support of a University	92,160
*1857	Support for common schools	2,888,608
1857	Support for University	92,160
1857	Public buildings	6,397
1857	Discretionary (salt springs)	46,080
*1860	Drainage projects (swamp land)	4,706,503
1862	Agricultural college (Morrill Act)	94,439
1865	Support for railroads	8,047,469
*1866	Internal improvements	500,000
1892	Itasca State Park	7,000
1904-5	Park and forest reserves (Burntside State Forest)	20,000
1940	Pine Island Development Project	1,313
1943	St. Croix Recreation Development Project	30,000

* Currently used in support of Permanent School Trust Fund

SOURCE: Updated from Evaluation of State Land Acquisition and Disposal, Office of Legislative Auditor, March 14, 1983.

State control over tax forfeited land came about towards the turn of the century. An 1899 state law provided for forfeiture of land titles when taxes were more than three years delinquent. Tax forfeited lands were held by the state in trust for taxing districts until land could be resold.

An estimated eight million acres went tax forfeit between 1899 and today. Tax forfeiture still occurs but at lower rates than during peak decades. About four and a half million acres of tax forfeited lands remain in public ownership, most of which is in northern Minnesota. Counties administer 2.8 million acres of this total.

The public interest acquisition phase began in about 1945. Since then, the state has acquired about one and a half million acres for highway construction, park development, habitat preservation and other public interest objectives. The Department of Natural Resources (DNR) and Minnesota Department of Transportation (MNDOT) are the primary purchasers of state land.

B. Mineral Rights

The federal government granted mineral rights to the state with all grants of surface ownership. Initially, the state sold mineral rights along with land surface ownership. However, in 1889 the state auditor refused to sell state land in the iron range unless mineral rights were retained by the state. In 1901, the state legislature required retention of mineral rights for all trust land sold in the state. The policy of retaining mineral rights was later extended to sale of all state land including tax forfeited land, conservation land and other state land.

Because surface ownership and mineral rights have been severed, the state often owns the mineral rights but not the surface of a parcel. The expense of determining ownership of severed mineral interests impaired mineral development and made taxation difficult. Addressing these concerns, Minnesota Statutes require that ownership of severed mineral rights be registered and that an annual tax (of 25¢ per acre or portion of an acre) be paid. Failure to comply with the law causes the mineral rights to be tax delinquent and subject to forfeiture of those interests to the state.

The DNR Division of Minerals is currently researching state ownership of mineral rights. That ownership is estimated to equal about 12 million acres.

C. Navigable Waters and Submerged Land

The state owns the submerged land of navigable waters. Navigable waters are lakes and rivers navigable by boat and used for commerce at the time of statehood. The federal government granted submerged lands under navigable waters to the state when the state was admitted to the union. The extent of state ownership of submerged lands is not certain. However, the DNR Bureau of Real Estate Management presently is researching the scope of that ownership. See Appendix A for a brief synopsis of state water law.

III. THE PUBLIC LAND BASE TODAY:

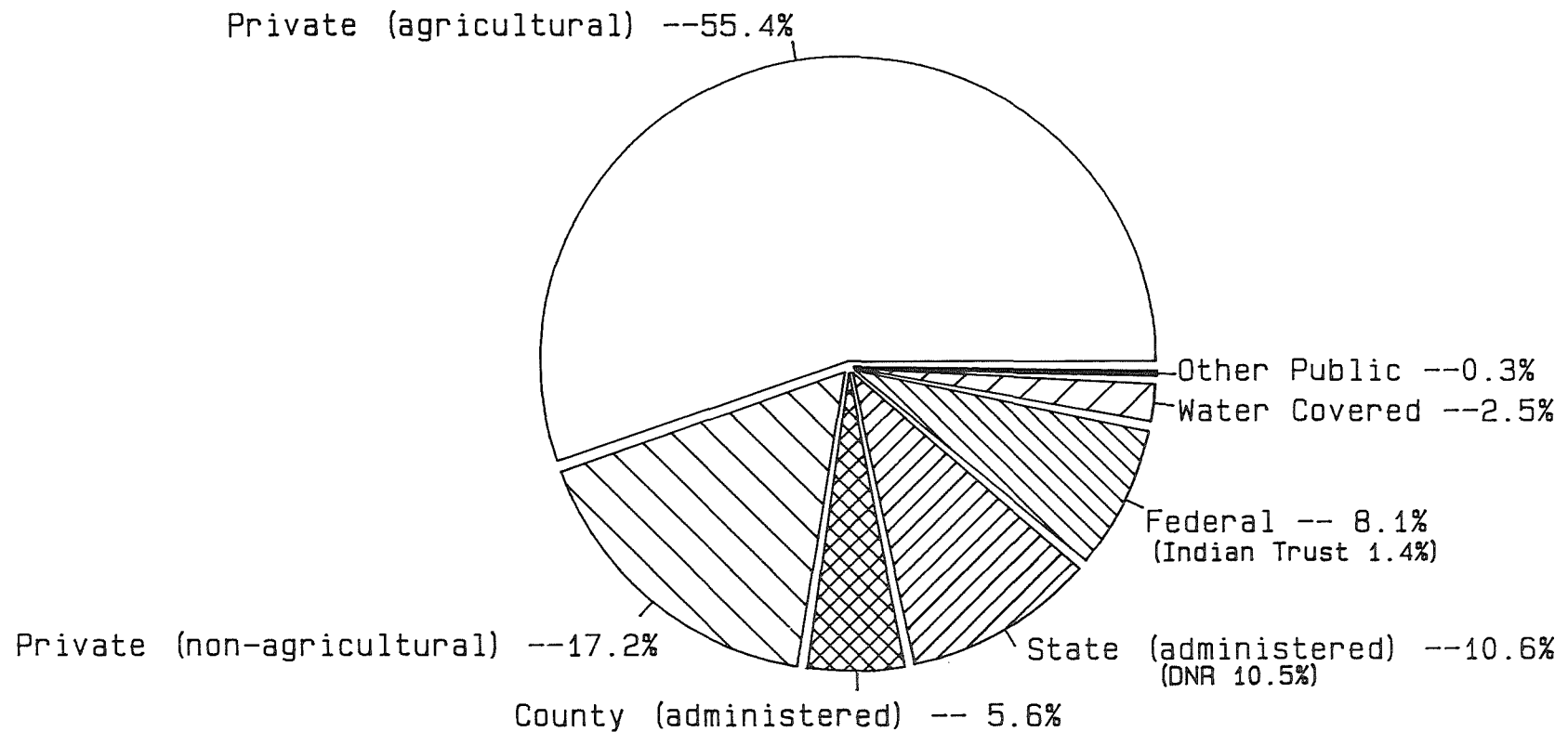
About one fourth of Minnesota's land area is in federal, state or county ownership. (See FIGURE 2.) Most of this public land is located in the northern part of the state. (See FIGURE 3.)

The federal government holds title to 4.2 million acres in Minnesota. Most federal land is within management units, including national forests, wildlife management areas, and Voyageur's National Park. Six federal agencies administer these lands. The U. S. Forest Service, with the Chippewa and Superior National Forests, accounts for about 83% of all federally owned land in the state. The rest is managed by the National Park Service, Bureau of Indian Affairs, Bureau of Land Management and the Fish and Wildlife Service. (See Appendix B for acreage of Federal land ownership in Minnesota by agency.) Federal land dominates ownership in several areas of the state. (See FIGURE 4.) It accounts for more than half the land area of Cook and Lake counties.

The state holds title to more than eight million acres, although about 2.8 million acres of these acres are managed by counties. Eighteen state departments and agencies administer state land in Minnesota. Only the DNR and MNDOT administer more than 1% of the total. (See FIGURE 5.) The DNR administers 5.3 million acres or 65% of all state-owned land. In addition, the DNR administers the state's 12 million acres of mineral rights. The DNR also manages the state's 4,705,801 acres of protected waters, 261,709 acres of protected wetlands and more than 92,000 miles of rivers and streams. Currently, the DNR is assessing management needs and opportunities for the state's submerged lands.

Figure 2

Land Ownership in Minnesota



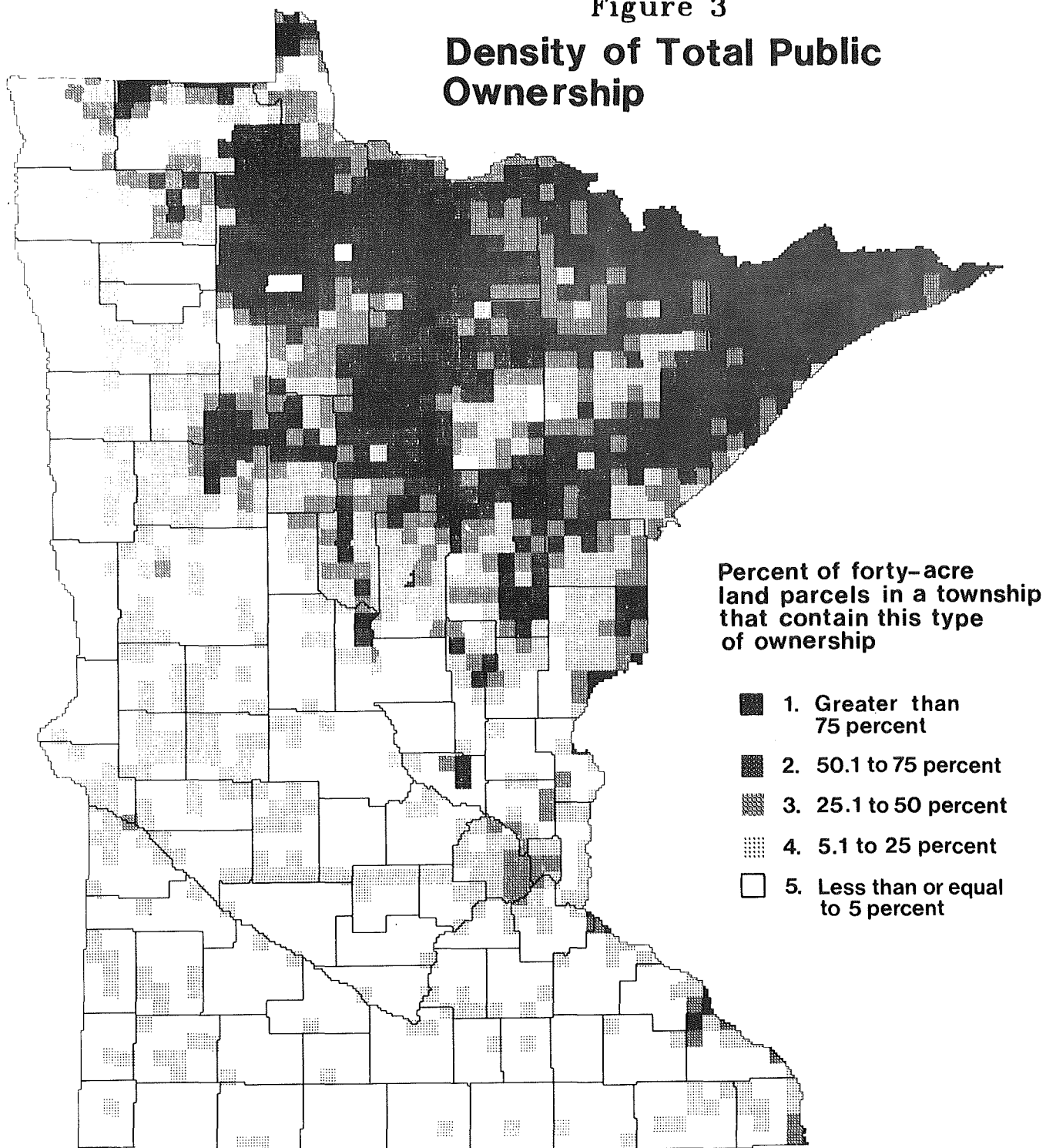
Source:

U.S. Department of Interior, Bureau of Land Management, 1980

Minnesota Department of Natural Resources, 1982

Minnesota Land Management Information System, 1978

Figure 3
Density of Total Public Ownership

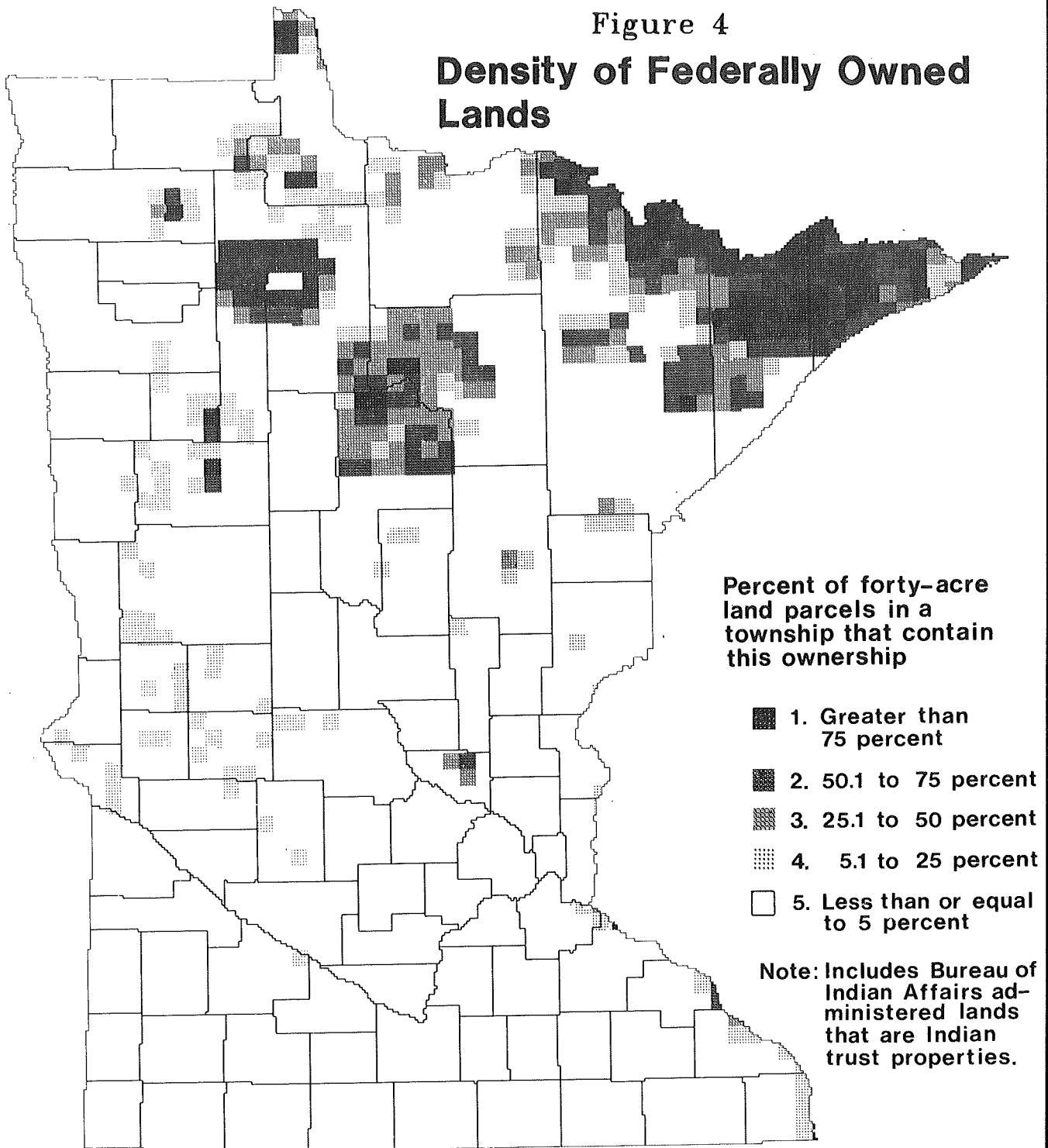


Sources: Minnesota Department of Natural Resources (1982 data for state owned lands that are DNR administered or tax-forfeited and county administered). Minnesota Land Management Information System (1978 data, except for 1969 data for federal lands in the categories of Bureau of Indian Affairs and Corps of Engineers)

0 20 40 miles
0 20 40 60 km.

Figure 4

Density of Federally Owned Lands



Source: Minnesota Land Management Information System (1969 data for Bureau of Indian Affairs and Corps of Engineers; 1978 data for other federal lands).

0 20 40 miles
0 20 40 60 km.

Figure 5**State Owned Land Administered by State Agencies**

<u>State Agency/Department</u>	<u>1983 Acres</u>	<u>%</u>
Administration	263	*
Agricultural Society	296	*
Agriculture	13	*
Community Colleges Board	1,326	.02
Corrections	1,318	.02
Economic Security	2	*
Education	408	*
Historical Society	1,914	.03
Iron Range Resources and Rehabilitation Board	557	*
Metropolitan Waste Control Commission	2,009	.04
Military Affairs	52,400	.93
Natural Resources	5,279,743	93.98
Public Welfare	3,055	.05
State University Board	1,973	.03
Transportation	239,364	4.26
University of Minnesota	32,283	.57
Veterans Affairs	316	*
Zoological Garden	480	*
TOTAL	5,617,720	99.93%

* less than .005%

SOURCE: Updated from Evaluation of State Land Acquisition and Disposal, Office of Legislative Auditor, March 14, 1983.

The highest concentration of state land occurs in Koochiching and Lake of the Woods counties. (See FIGURE 6.) Seven counties (Aitkin, Beltrami, Itasca, Koochiching, Lake of the Woods, Roseau and St. Louis) account for 22% of the state's land area but 65% of the state-owned land. Most tax forfeited land still in state ownership is concentrated in these counties.

Title to tax-forfeited land is held by the state but 2.8 million acres of it is administered by counties. This county-administered land accounts for 22% of all public land in Minnesota. Counties also have acquired land for resource management purposes. Most county and county administered state lands are in county recreation and timber management units. (See FIGURE 7.) Counties have developed increasingly effective resource management programs for their land. The focus has been predominantly on income generation, public recreation and resource protection.

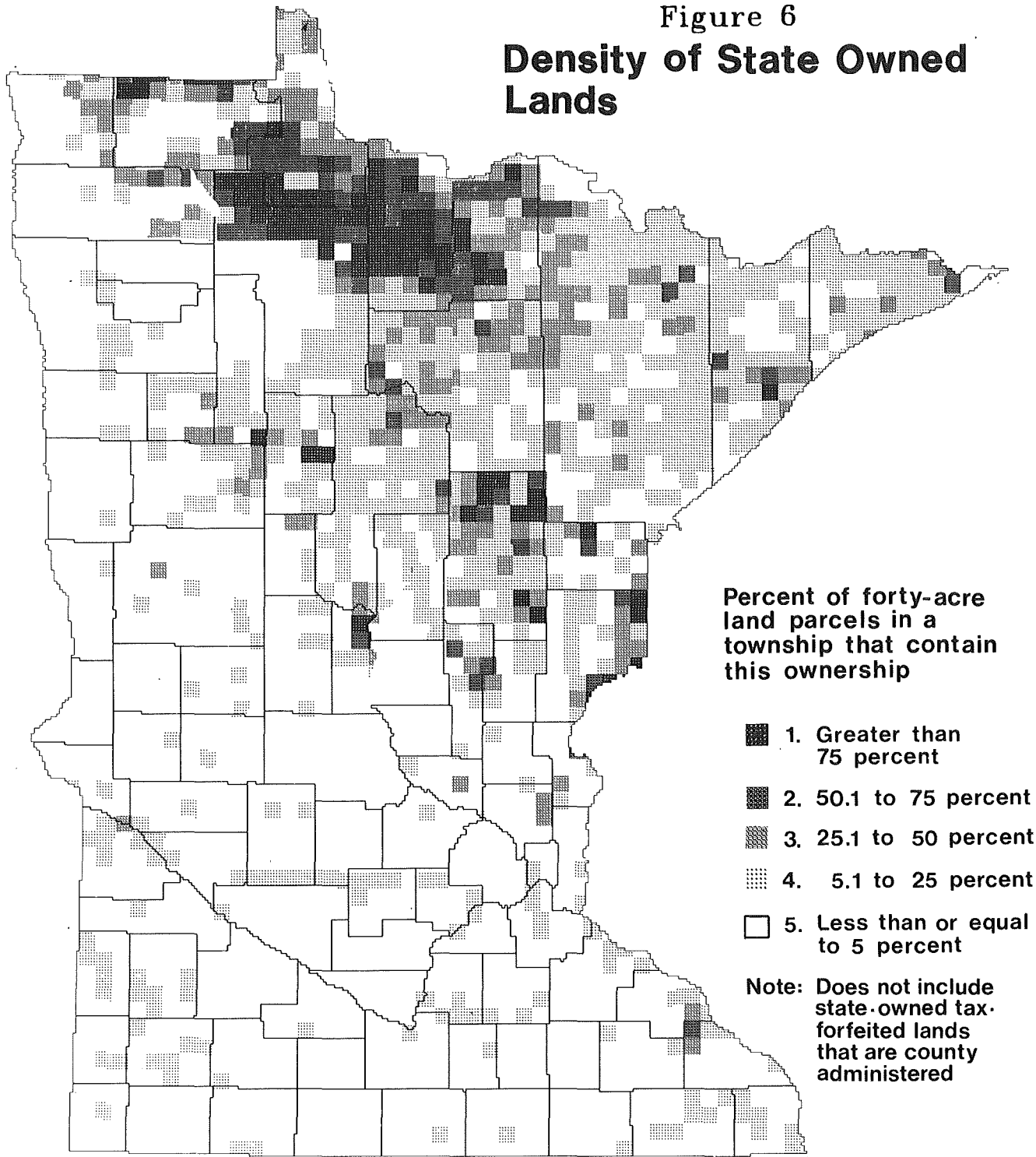
IV. DNR ADMINISTERED LANDS:

The DNR administers more land than any other government agency in the state. FIGURES 8A and 8B present acreage of DNR administered land by DNR division and source of acquisition. The following is a brief description of acquisition sources cited in FIGURES 8A and 8B.

A. School Trust: When Minnesota was established as a territory, sections 16 and 36 of every township were granted in trust to the state to support education (Organic Act of 1847 and Enabling Act of 1857). Proceeds from the sale and management of these lands were placed in a trust fund called the Permanent School Trust Fund. The trust fund supports the public schools (non-tuition education grades K-12). The federal government granted 2,900,000 acres to Minnesota through these acts.

B. Indemnity School Trust: In many townships, sections 16 and 36 did not exist, were under water or already homesteaded. Under such circumstances, the state was allowed to select land from the federal domain in lieu of lands that were not available. The final selection of such lands was made in 1960. Indemnity school trust lands are often referred to as 'in-lieu' lands. Proceeds from the sale and management of these lands also are deposited in the Permanent School Trust Fund.

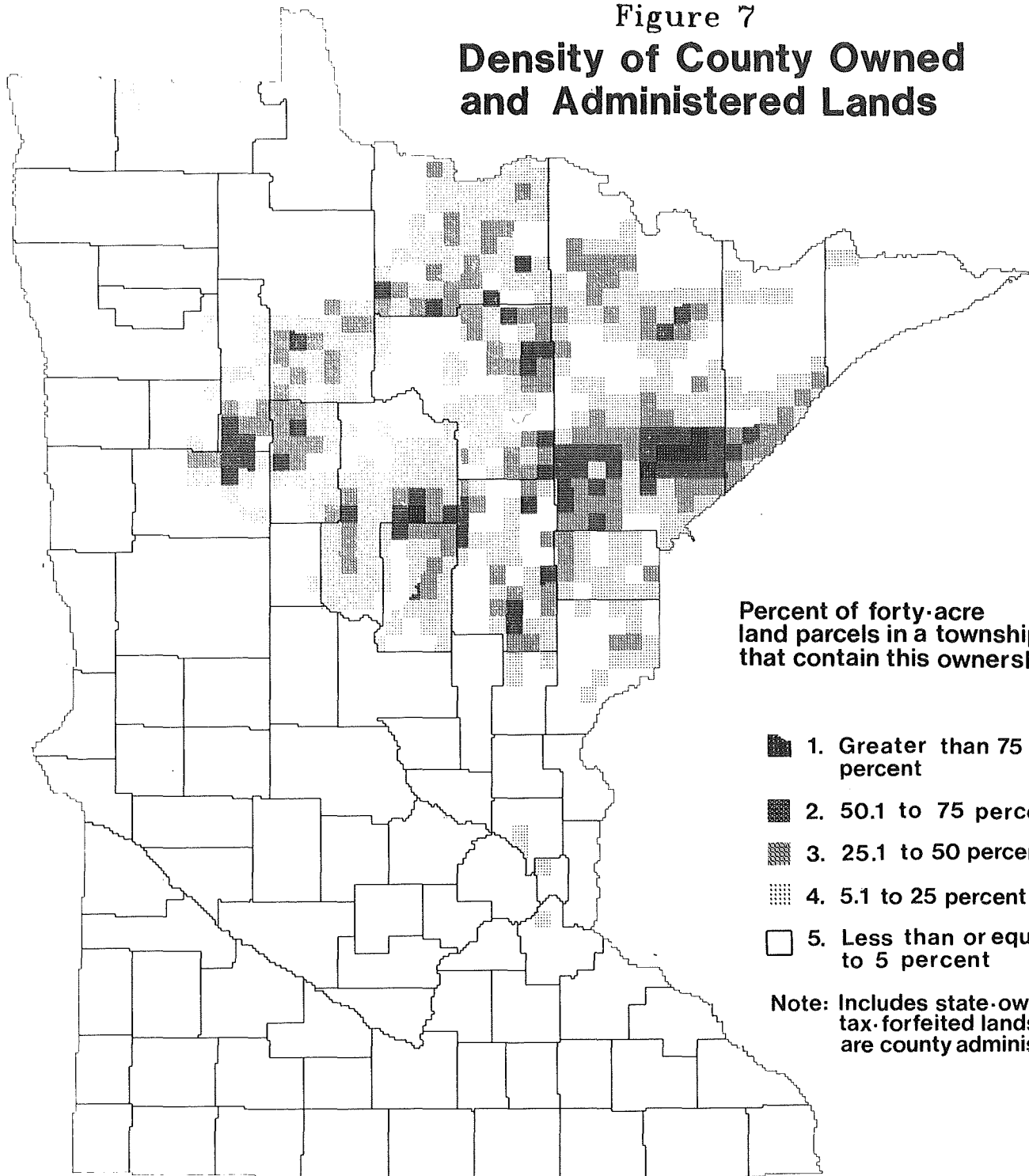
Figure 6
Density of State Owned
Lands



Sources: Minnesota Department of Natural Resources (1982 data, DNR administered lands). Minnesota Land Management Information System (1978 data for other state administered lands).

0 20 40 miles
0 20 40 60 km.

Figure 7
Density of County Owned
and Administered Lands



**Percent of forty-acre
land parcels in a township
that contain this ownership**

- 1. Greater than 75 percent
- 2. 50.1 to 75 percent
- 3. 25.1 to 50 percent
- 4. 5.1 to 25 percent
- 5. Less than or equal to 5 percent

**Note: Includes state-owned
tax-forfeited lands that
are county administered**

Sources: Minnesota Department of Natural Resources (1982 data for state-owned tax-forfeited lands that are county administered). Minnesota Land Management Information System (1978 data for county owned lands).

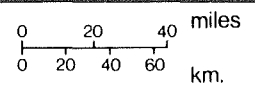


Figure 8A

DNR Administered Public Land by Program and Acquisition Source: Federal Grant Lands, 1989 (Acres)

Grant Source	Forestry not in Mgmt Units	Forestry in Mgmt Units	Waters or Minerals	Wildlife not in Mgmt Units	Wildlife in Mgmt Units	Parks and Recreation	Fisheries	Law Enforcement	Department Administered	Scientific and Natural	Total
School Trust	283,557	308,171	74	14,221	0	0	0	0	0	0	606,023
Indemnity School Trust	90,822	246,463	0	8,522	0	0	0	0	0	0	345,807
Swamp Trust	336,145	1,173,349	0	47,602	0	0	0	0	0	0	1,557,097
Other Trust*	19,429	13,483	0	0	0	0	0	0	0	0	32,912
Total	729,953	1,741,467	74	70,345	0	0	0	0	0	0	2,541,840

Notes: The Division of Forestry administers all trust fund lands, even those in management units of other divisions. Therefore, all trust fund lands in Parks and Recreation or Wildlife administration categories are reported under the Forestry category.

Additional acreage of Scientific and Natural Areas included in Wildlife and Parks administration categories.

Water access site acreage included in Parks, Fisheries and Law Enforcement administration categories.

Wild and Scenic Rivers and Canoe and Boating Routes acreage included in Parks.

*Includes: Internal Improvement, University Trust, Trans. School

Source: DNR Bureau of Real Estate Management, Land Ownership Records System, as of January 25, 1989.

Figure 8B

DNR Administered Public Land by Program and Acquisition Source: Acquired Lands, 1989 (Acres)

Grant Source	Forestry not in Mgmt Units	Forestry in Mgmt Units	Waters or Minerals	Wildlife not in Mgmt Units	Wildlife in Mgmt Units	Parks and Recreation	Fisheries	Law Enforcement	Department Administered	Scientific and Natural	Total
Gift	86	5,790	866	0	7,926	16,999	3,106	0	777	2,297	37,848
Condemnation from Private	0	434	477	0	21,693	5,490	492	0	0	0	28,586
Condemnation from Public	80	603	2	0	115,584	3,189	331	0	0	228	120,017
County Board Resolution	127	304,110	0	125	50,001	21,585	14,672	0	60	109	390,789
Purchase	370	132,417	779	1	273,780	97,465	6,078	9	45	2,612	513,554
State Transfer	214	579	3	0	5,089	4,885	38	0	107	69	10,985
Federal Deed and Patent	1	41,230	0	3	544	26,541	565	0	0	160	69,045
Land Exchange	65	3,286	146	0	3,505	1,035	754	0	0	95	8,886
Volstead	8,657	22,607	0	442	196	187	0	0	0	0	32,088
Consolidated Conservation	511,623	942,286	0	83,105	5,496	13,850	0	0	0	0	1,556,362
Other	2	0	40	0	0	0	0	0	0	0	42
Total	521,225	1,453,343	2,312	83,677	483,815	191,227	26,036	9	988	5,570	2,768,201

Federal Grant and Acquired Lands

Total	1,251,178	3,194,811	2,386	154,022	483,815	191,227	26,036	9	988	5,570	5,310,041
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C. Swamp Trust: Swamp land granted to the state by Congress in 1860 could be sold to support drainage projects. However, the state chose to use these lands in a different fashion and granted about thirty four percent of them to railroads. The objective was to provide a subsidy for expansion of the state's railroad network. Receipts from swamp lands were later allocated to the Permanent School Trust Fund. The federal government granted Minnesota 4,706,503 acres through this measure.

D. Other Trust Lands: The Federal government granted other lands to the state in trust. The largest block of these were University lands, the proceeds of which were to support a public university (Morrill Act of 1862). Proceeds from the sale or management of University Lands are deposited in the University School Trust Fund. The federal government granted Minnesota 94,439 acres through this act.

E. Volstead Lands: In 1908, Congress passed the Volstead Act giving states authority to establish liens against certain federal lands to support drainage projects. In 1958, federal legislation allowed states to purchase these lands for their appraised value less ditch bond assessments and accumulated interest. Minnesota did so in 1963. Receipts from these lands are put into the State Forest Fund.

F. Conservation Lands: (also referred to as consolidated conservation or con-con lands): During the 1920's and 1930's many drainage projects failed to meet their financial obligations due to non-payment of tax assessments. Counties assumed responsibility for delinquent drainage bonds but also experienced difficulty in making payments on the debt. The state assumed responsibility for these debts in return for title free of trust for the taxing districts within the counties. The state acquired title to more than 1.6 million acres in this way. In 1949, the state legislature placed these lands into 'conservation areas'.

G. Gift: The state has received title to 33,375 acres as gifts from individuals, corporations and organizations.

H. Condemned Private Land: The DNR has authority to acquire private land in certain projects through condemnation. This authority is seldom exercised and only in situations where no other acquisition method is possible and the property is extremely important to the public interest. On infrequent occasions "friendly" condemnations are used when initiated at the request of the land owner to clear title, to establish fair value for the property, or to provide the landowner with some other legal or financial consideration.

I. Condemned State Trust Fund: To reduce acquisition costs, DNR management units frequently are established where there already exists a considerable amount of state land ownership. Much of this land is trust land. If such land is administered in a manner inconsistent with trust fund responsibility, the trust status is condemned and the trust fund compensated. Such lands are referred to as condemned trust lands and assume a purchase status.

J. County Board Resolution: Previously, some counties lacked the resources to manage public land either for income generation or public use. Such counties chose to deed their land to the state in return for a share of the management revenues. The county receives fifty percent of the management revenues on these county board resolution lands, commonly called 50-50 lands.

K. Purchase: The state does not own all land needed to meet resource management objectives required for management in the public's interest. For example, about twenty thousand acres of private land lie within state parks. Most land purchases are made from willing sellers. Most acquisitions occur in counties where there is little state owned land available to serve the public's interest in resource management.

L. Transfer: Land administered by other departments occasionally is transferred to DNR administration. This occurs when another agency, such as the Minnesota Department of Transportation offers surplus land to other agencies prior to selling it on the open market.

M. Federal Deed and Patent: Congressional grants are not the only source of federal land. Occasionally, federal agencies deed surplus land to the state. Currently, the Bureau of Land Management is deeding to Minnesota several thousand acres of land (mostly islands).

N. Land Utilization Projects: (also know as the Pine Island and Beltrami Island projects or LUP lands): About 20,000 acres in Koochiching county were leased to the state by the U.S. Department of Agriculture for experimental forestry management. This land was eventually deeded to the state. The Beltrami Island project currently leases 81,432 acres in Roseau, Beltrami, and Lake of the Woods counties from the U.S. Department of Interior (which administers these lands for the U.S. Department of Agriculture). Renewal of this long term lease is uncertain.

O. Land Exchange: The state can exchange state-owned land for other private or public land. The state has acquired more than 100,000 acres since 1940 through land exchange. Exchanged lands retain their original status (i.e. tax-forfeited for private lands retain tax-forfeit status on the newly acquired parcel).

V. CURRENT DNR LAND MANAGEMENT:

DNR public land stewardship is guided by the department's mission statement:

"The DNR goal is to achieve optimum and beneficial natural resource planning, protection and development responsive to public need, consistent with resource potentials and for the social, spiritual and economic well being of both present and future generations through effective and efficient organization."

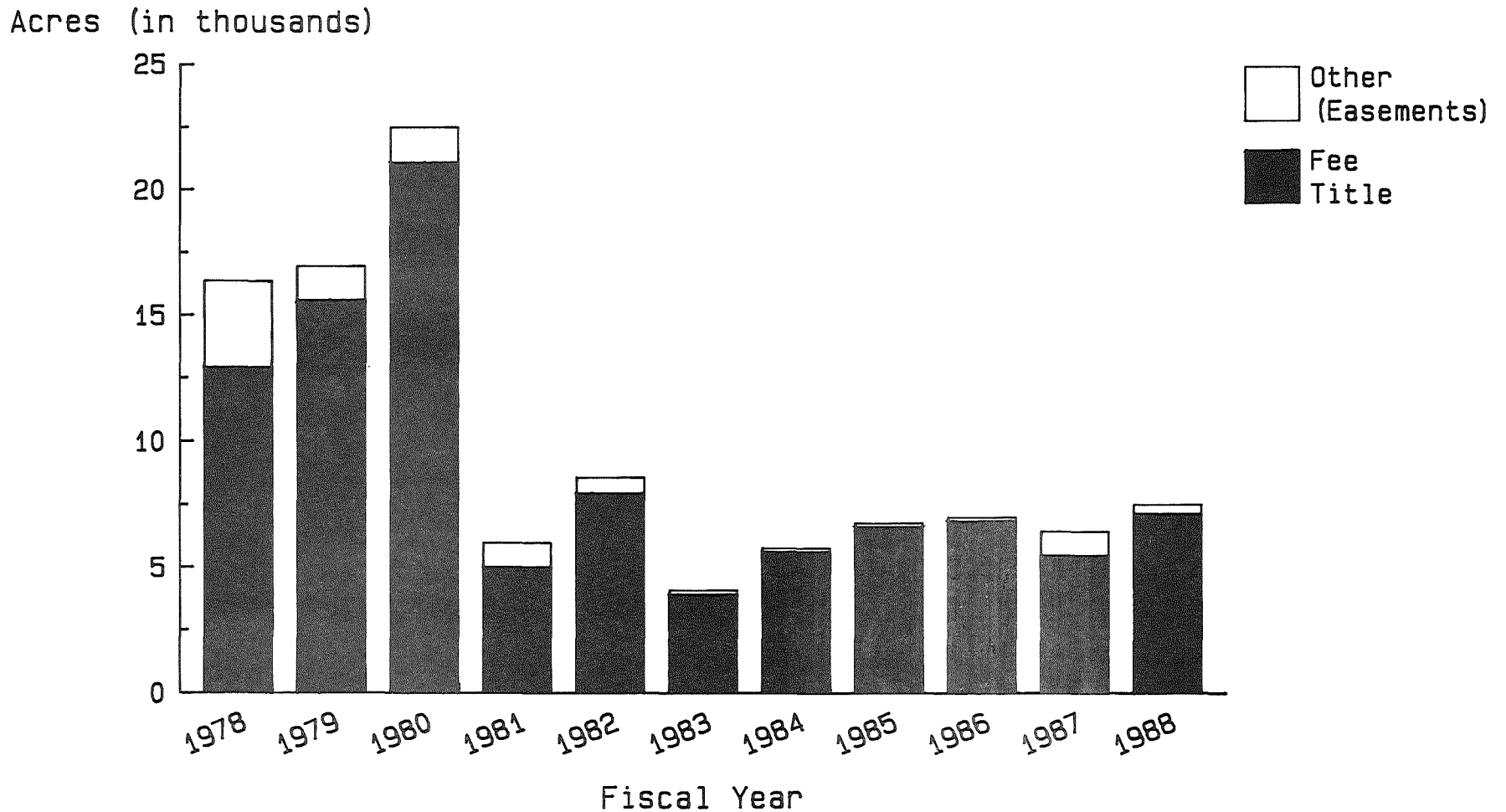
DNR stewardship recognizes the importance of resource development to benefit the state's economy consistent with the needs of resource protection. Stewardship also looks to the future to assure benefits for generations to come. To meet these goals, the DNR continues to purchase, sell, exchange and transfer land to and from other agencies and the public.

A. Land Acquisition

The DNR may acquire fee title to land or simply purchase limited rights through easements or other acquisition vehicles. For most management purposes, acquisition of fee title is desired. When purchasing fee title, the state gains full property rights to a parcel of land. Between 1974 and 1986, the DNR acquired fee title interest to 157,135 acres. (See FIGURES 9 and 10.) Most of that land was purchased for wildlife management and recreation purposes. (See FIGURE 11.)

Sometimes resource management objectives can be achieved without purchase of fee title. The DNR purchases less than fee title interest through acquisition of easements. Permanent easements grant the state (or public) rights or privileges to use land for specific purposes or may be used to prevent certain forms of development incompatible with resource management objectives. Between 1979 and 1986, the DNR acquired 5,019 acres of easements.

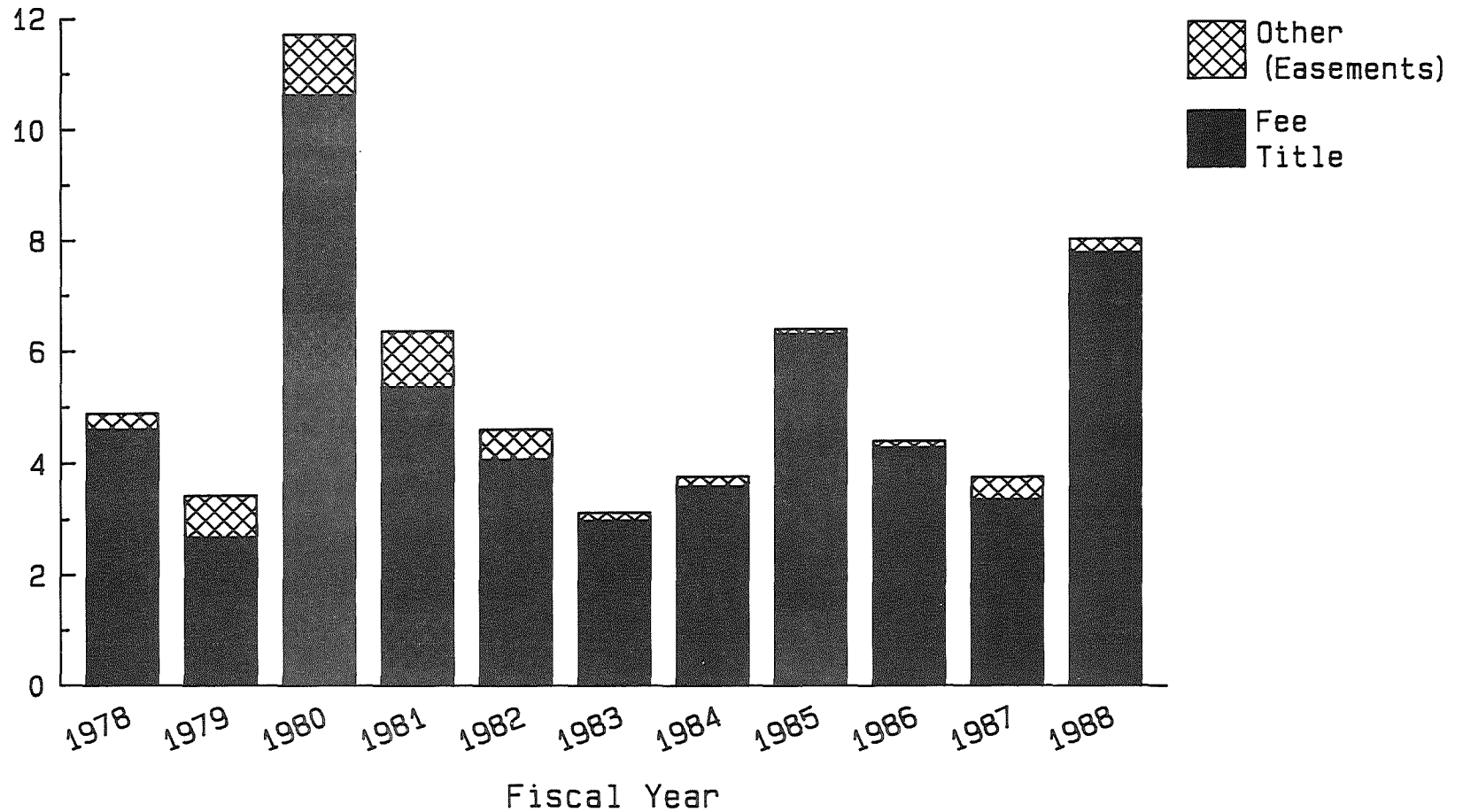
Figure 9
Acreage of DNR Land Acquisition by
Fee Title and Easement



1978 to 1982, Evaluation of State Land
Office of Legislative Auditor, March 14, 1983
1983 to 1988, DNR Bureau of Real Estate Management

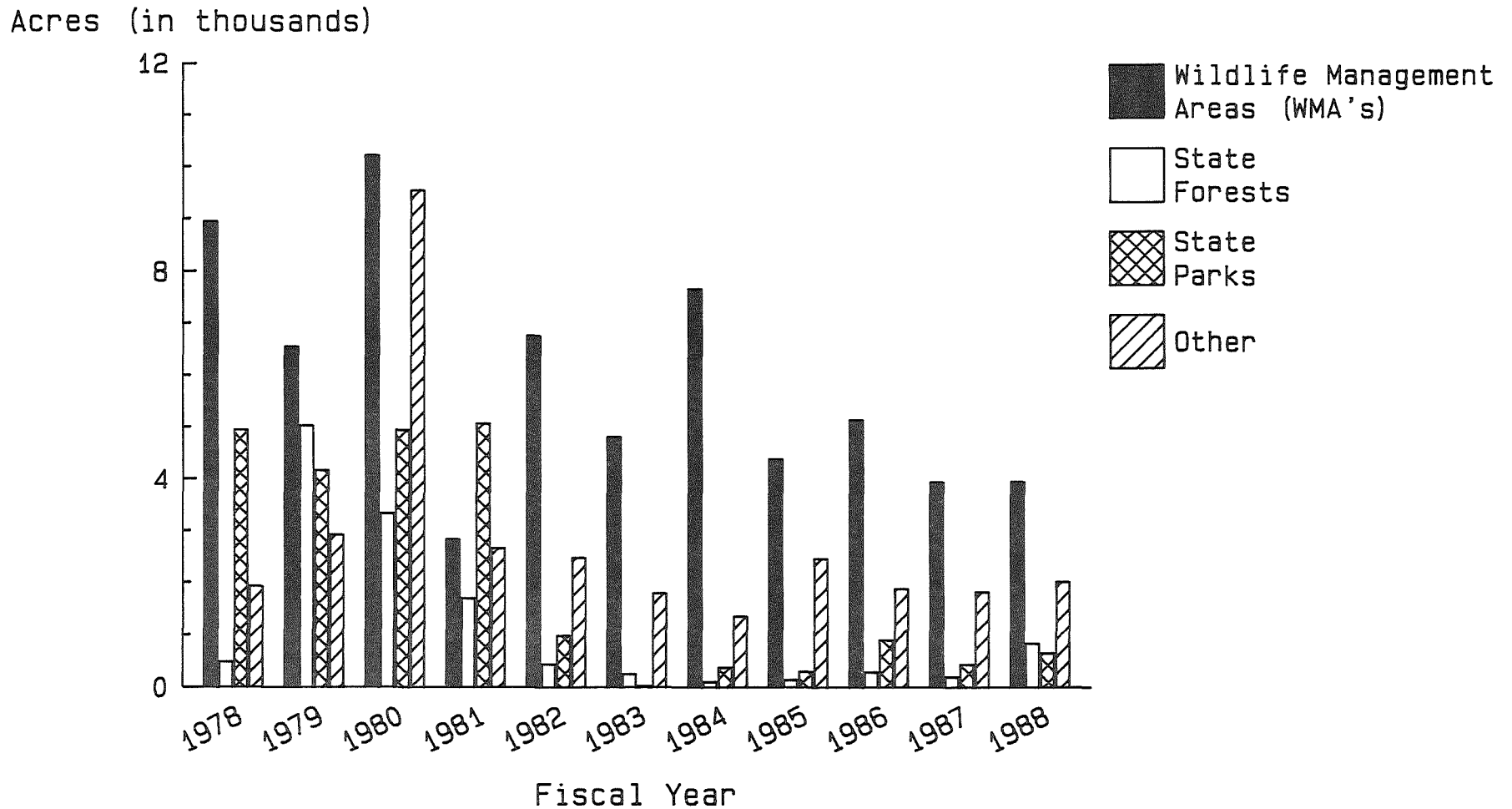
Figure 10
Cost of DNR Land Acquisition by
Fee Title and Easement

Dollars (in millions)



1978 to 1982, Evaluation of State Land
 Office of Legislative Auditor, March 14, 1983
 1983 to 1988, DNR Bureau of Real Estate Management

Figure 11
Acreage of DNR Easement and Fee Title
Acquisitions by Major Program Area



1978 to 1982, Evaluation of State Land
 Office of Legislative Auditor, March 14, 1983
 1983 to 1988, DNR Bureau of Real Estate Management

A major DNR land acquisition goal has been to provide quality resource land to serve a growing outdoor recreation demand and for wildlife management purposes. This is reflected in the broad range of recreation land acquisitions.

- Between 1978 and 1988, the DNR acquired 25,608 acres of state park inholdings.

- Most outdoor recreation in Minnesota is based on use or appreciation of water resources. To serve those interests, the DNR has purchased 187 water access sites since 1982.

- To meet a growing interest in hiking, biking and snowmobile use, DNR acquired 3,755 acres for development of about 6,000 miles of state trails since 1978.

- Easements have also played a role in meeting outdoor recreation demand. Between 1978 and 1986, the DNR purchased 145 miles of easements for public access to fishing streams and 1,215 acres of scenic easements (some fee title included in total) along the state's Wild and Scenic river system.

Another DNR land acquisition goal has been to acquire and protect land with significant wildlife habitat. Between 1978 and 1988, 69,372 acres were acquired for wildlife management areas. Wildlife management goals serve recreation needs. Most wildlife management areas are open for public hunting and other recreation activity.

Habitat acquisition programs also serve important preservation and conservation objectives. Two major conservation programs are the Waterbank and Reinvest in Minnesota (RIM) programs. The Waterbank program compensates farmers for not converting valued wetlands to cropland. Between 1981 and 1988, the Waterbank program protected 6,037 acres of wetland through easement or purchase.

The Reinvest in Minnesota program compensates farmers for retiring erodible land from crop production. Although begun in 1985, RIM already has retired more than 22,000 acres of cropland. RIM complements the federal Conservation Reserve program which also retires agricultural land from production. RIM is currently administered by the Minnesota Department of Agriculture pending legislation which would transfer authority to the Board of Soils and Water Resources.

Protecting fragile features of the state's natural heritage has been the goal of the state's Natural Heritage program. Between 1978 and 1988, the DNR acquired 10,965 acres for inclusion in the state's Scientific and Natural Areas.

Acquisition of forest land serves multiple resource management objectives. The DNR acquired 12,903 acres between 1978 and 1988 for the state forest system. Most of those acquisitions have been in the Richard J. Dorer Memorial Hardwood forest, where soil erosion management has been a major land management objective .

The Minnesota state legislature recognizes the growing complexity of resource management needs. Its commitment to the public interest is reflected in continuing support for land acquisition programs. These include Resource 2000, the Reinvest in Minnesota program, the Waterbank program and the various acquisitions supported by the Legislative Commission on Minnesota Resources. Since its initiation in 1975, more than \$62 million has been dedicated to land acquisition and development by the Resource 2000 fund alone. (See FIGURE 12.)

B. Land Exchange

State land can be exchanged for land owned by individuals, corporations or other agencies. Land exchange serves several public interest objectives. One is to improve the pattern of public land ownership for the management of natural resources. A variety of land tenure patterns are needed to manage the State's diverse resources. Consolidated and dispersed land holdings respectively benefit the management of different resources. In northern Minnesota, public ownership of the various agencies often resembles a checkerboard pattern of overlapping and intermingled interests. Land consolidation can reduce the costs of management activities for resources such as timber. However, a dispersed ownership pattern may be desirable for the management of mineral and wildlife interests. Land exchange can sever or reunite surface and mineral interests.

A second land exchange objective is acquisition of valued resources. Land exchange can be used to acquire inholdings in management units, unite surface and subsurface ownerships and to acquire valuable resource land when funding for purchases is limited.

Figure 12

Resource 2000 - Biennial Acquisition Appropriations by Activity Area

Activity	1975	1977 ^P	1979 ^P	1981 ^P	1983	1985 [*]	1987
				----(in thousand dollars)----			
Parks	4,000T	7,783	0	2,000	2,500	500	1,200
Forest	2,000	2,760	2,000	200	470	500	500
Fisheries	1,000	1,008	1,008	400	240	75	100
Wildlife-							
Waterbank	2,750	2,500	4,000	4,500	4,000	1,175	750
SNA	0	538	538	300	400	50	1,150
Rivers	500	1,706	0	275TT	250	0	0
Trails	1,000	1,805	750	290	1,980AB	250	0
Water							
Access	0	0	1,500	650	1,180	0	300
Special							
Projects	-	-	-	-	-	350	
Total R2000							
Acquisition	11,250	18,100	9,796	8,615	11,020	3,300	4,000
Funding							

* 1985 acquisition appropriation includes \$400,000 for professional services.

T Original appropriation was \$7,000,000, however \$3,000,000 was transferred to state parks betterment in 1977.

TT Original appropriation was \$400,000, however \$125,000 was transferred into rivers betterment.

AB This appropriation was \$3,725,000 for combined trails acquisition and betterment. Actual acquisition appropriation was \$1,980,000.

P In 1977, 1979 and 1981, there was a separate line item for professional services. In 1975, 1983 and 1985, professional services were included in each activity appropriation.

A third objective of land exchange is to provide public service to private parties desiring certain state lands. Between 1978 and 1986, about 90% of the state land exchanges were with private parties. (An undetermined number of these were initiated by the DNR, however, to serve resource management objectives.)

The land exchange program was initially established in the 1800's. The largest period of land exchange activity occurred during the 1950's when the state and the U.S. Forest Service negotiated several large-scale exchanges to consolidate ownership patterns. (See FIGURE 13.) Although less land is being exchanged today, a larger number of exchanges are actually being negotiated. (See FIGURE 14.)

Besides being an active participant in land exchanges, the DNR also functions as staff to the state Land Exchange Board. The Board has final authority on all exchanges involving state and county land. The Land Exchange Board consists of the Governor, Attorney General and State Auditor. As staff, the DNR role is to review all proposed exchanges for compliance with state law and adopted procedures.

Several measures have been enacted to protect the public interest in land exchange. Some of these include:

- land and timber appraisals are required for all parcels being exchanged. Differences in value must be equalized by waiver, payment or modification of the proposal. The state, however, may not waive a difference when the value of land it exchanges is higher than the value of land it receives.
- the state retains mineral interests on land it exchanges.
- certain resource interests, such as frontage on public waters, must be comparable for exchanges involving state land.

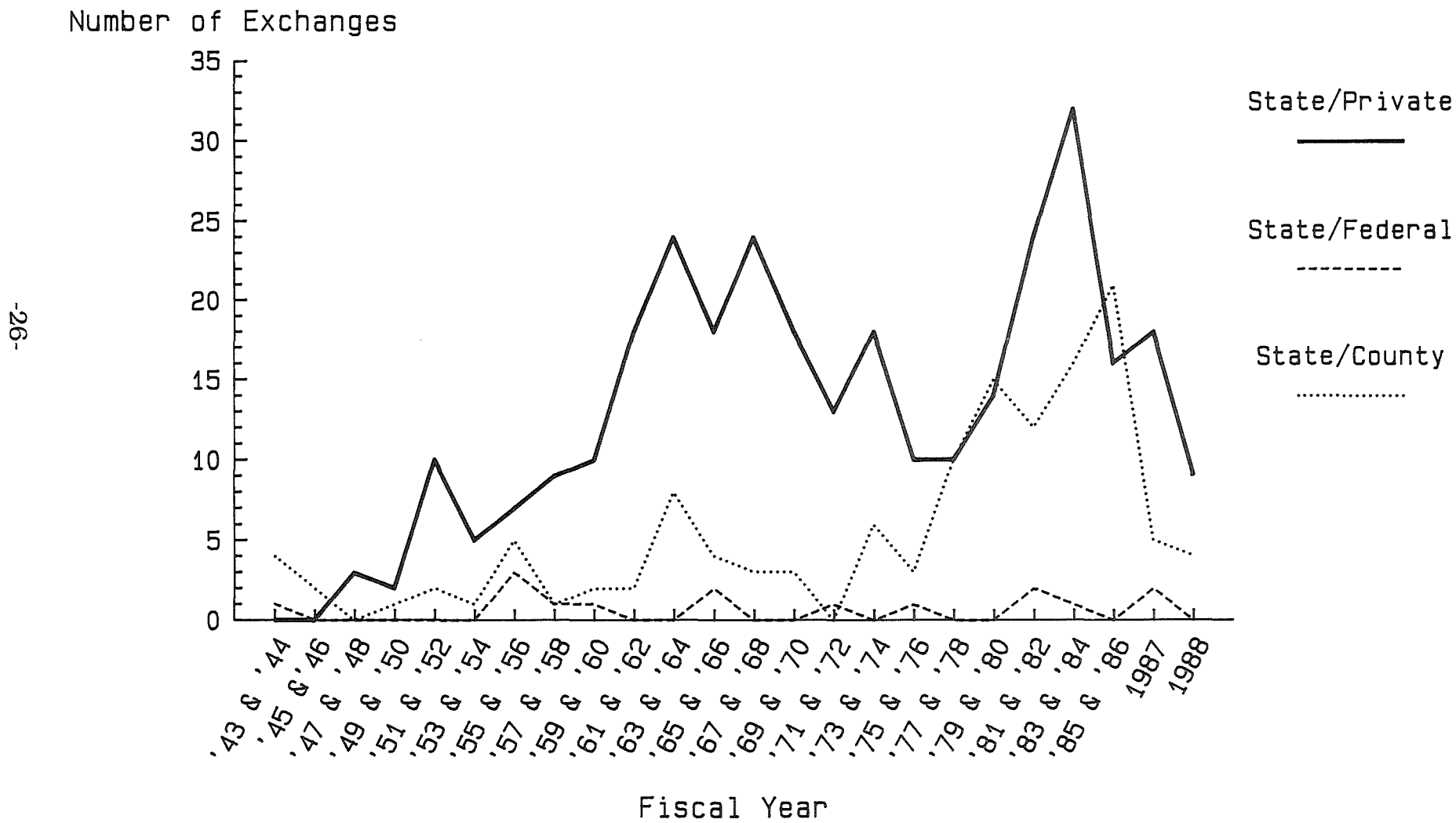
Figure 13
Total Exchange Acres by Type
F.Y. 1943 to 1988

Acres Exchanged (average in thousands)



Source: DNR Bureau of Real Estate Management

Figure 14
Number of Land Exchanges by Type
F.Y. 1943 to 1988



Source: DNR Bureau of Real Estate Management

DNR land exchange activity may increase due to three factors:

- unit planning processes, especially in the Division of Forestry, are identifying land for exchange.

- staff needed to identify and process exchange opportunities have been added to the Real Estate Management Bureau.

- the constitutional, legislative and procedural requirements for exchange have been modified, facilitating more efficient processing and wider opportunities for exchange. In addition, the Legislative Commission on Minnesota Resources funded a DNR study of land exchange. Program modifications were recommended by that study to accelerate and improve the land exchange process. Most of those recommendations have been implemented.

C. Land Sale

The legislature has granted the commissioners of land managing departments (DNR, MNDOT, etc.) authority to identify and dispose of land no longer needed by their departments. The DNR, because it administers the vast majority of state-owned land, is the major seller of state land.

Until 1984, the DNR had direct authority to sell only Trust lands. Other land administered by the DNR but acquired through purchase, gift or forfeiture was sold by the Department of Administration. However, since August of 1984, the DNR can offer for sale all surplus lands that it manages. Revenue from the sale of Trust land is deposited in the Permanent School Trust Fund. Revenue from the sale of other state land is deposited in a dedicated land acquisition account.

Tax-forfeited land and consolidated conservation land may be sold by counties with approval of the state (represented by the Commissioner of the Department of Natural Resources). Revenues from these sales are deposited into accounts other than the general fund. For example, half the revenue generated from sale of consolidated conservation land is deposited in the Dedicated Land Acquisition Fund with the other half going to the county.

To protect the public interest, a number of restrictions have been placed on sale of state owned land. For example, the following types of land may not be sold without special legislative action:

- land adjacent to or containing public waters;
- land containing commercial quantities of peat;
- land within certain designated state management units (parks, mining, Scientific and Natural Areas, Wildlife Management Areas, State Forests, etc.); or,
- land covered by a state mining lease.

In addition, the state retains mineral rights on all land that it sells. See Appendix C for a description of legal restrictions on sale of state land in Minnesota.

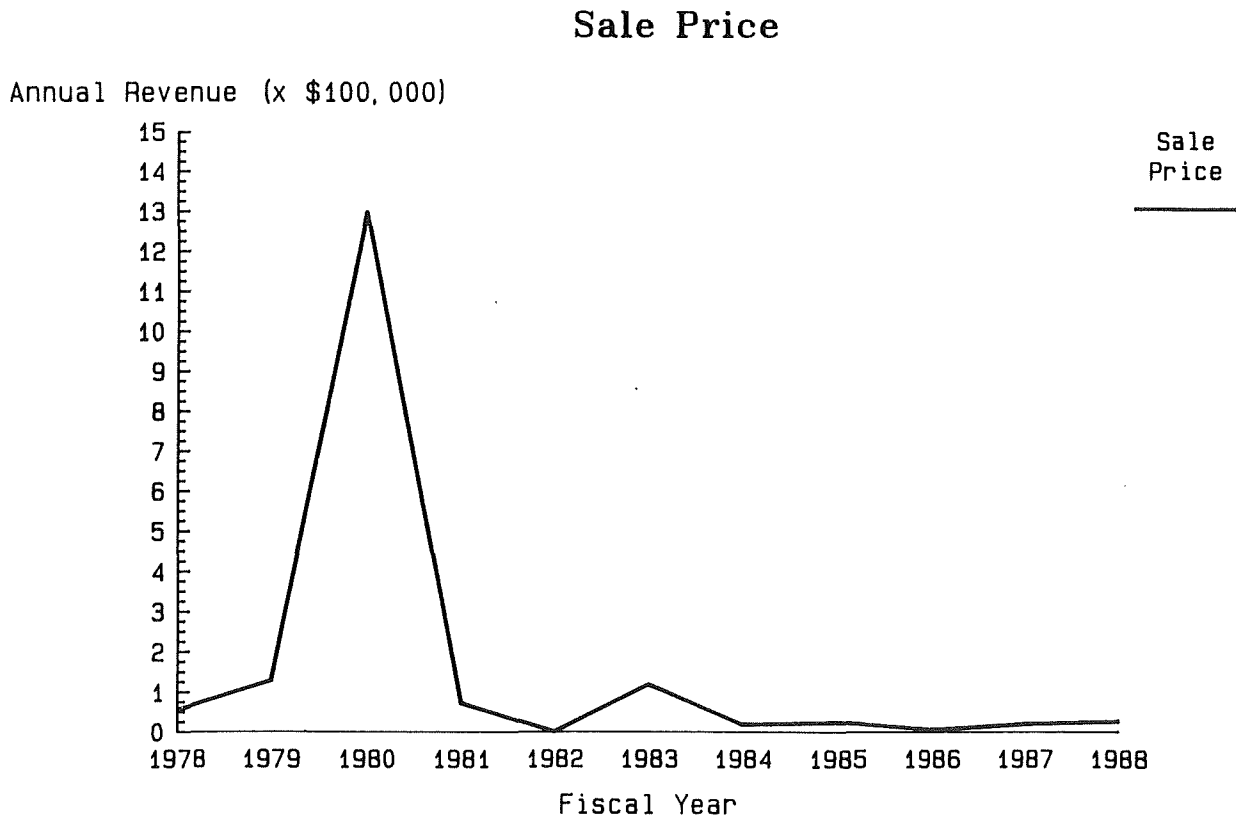
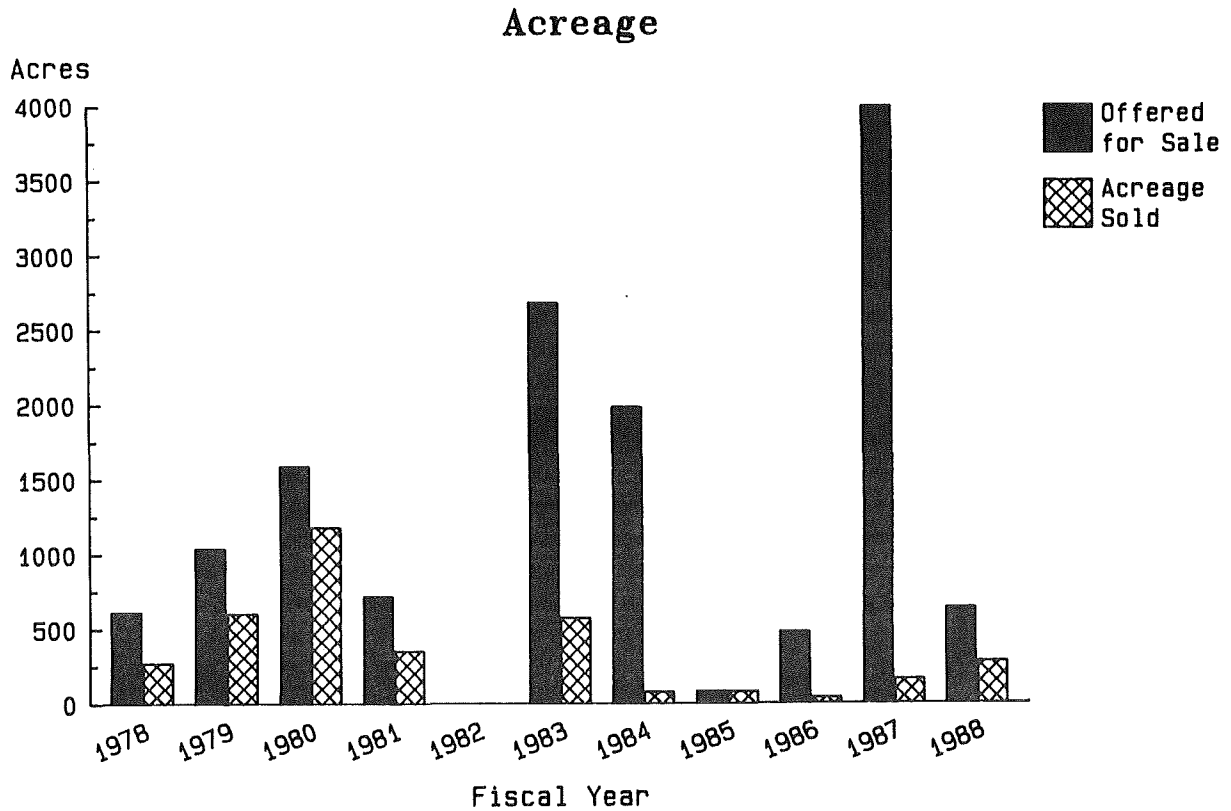
The Federal government has restrictions on sale of state-owned land acquired with federal funds provided by the Pittman-Robertson Act, Dingell-Johnson Act and the Land and Water Conservation Act. The DNR has made extensive use of these funds to acquire recreation and wildlife land.

FIGURE 15 shows sale of DNR-administered land since 1978. Less than half the land offered for sale (excluding lakeshore leases) is actually sold. Most state lands of higher value were sold in the early 1900's.. Much land not needed for resource management now has little appeal for private use. Such lands tend to be swampy, have poor access and have fewer resources of value for development or personal use.

Recently, the legislature directed the DNR to sell state lakeshore which currently is under lease. This will result in a short-term sharp increase in state land sale activity. Sales of 91 lots have already taken place, and 215 lots are currently scheduled to be offered in August 1989. Over the next 10 years a total of 1,750 lakeshore leases valued at approximately \$20 million will be offered for sale.

Figure 15

Acreage and Sale Price from DNR Land Sales
F.Y. 1978 to 1988



VI. RESOURCE MANAGEMENT REVENUES:

Revenue generation is a major objective of the DNR's public land stewardship. DNR management of public land contributed to generation of the following revenues for state funds in F.Y. 1988:

- \$1,275,396 to the General Fund. The General Fund is the common depository for all state revenues. Revenues from the General Fund support the state budget.

- \$19,393,926 to the Special Revenue Fund. The Special Revenue Fund is an umbrella fund that includes many of the special dedicated accounts used for resource management. For example, the Cross Country Ski Account and the Snowmobile Account are included in the Special Revenue Fund.

- \$38,315,634 to the Game and Fish Fund. The Game and Fish Fund supports enforcement of game and fish laws and the general management fish and wildlife resources.

- \$4,578,942 to the Permanent School Trust Fund. Interest from the Permanent School Trust Fund is used to support public education in grades K through 12. The Permanent School Trust Fund has been a major beneficiary of DNR public land stewardship. Public land and water management has generated \$373 million for the Trust Fund since its inception.

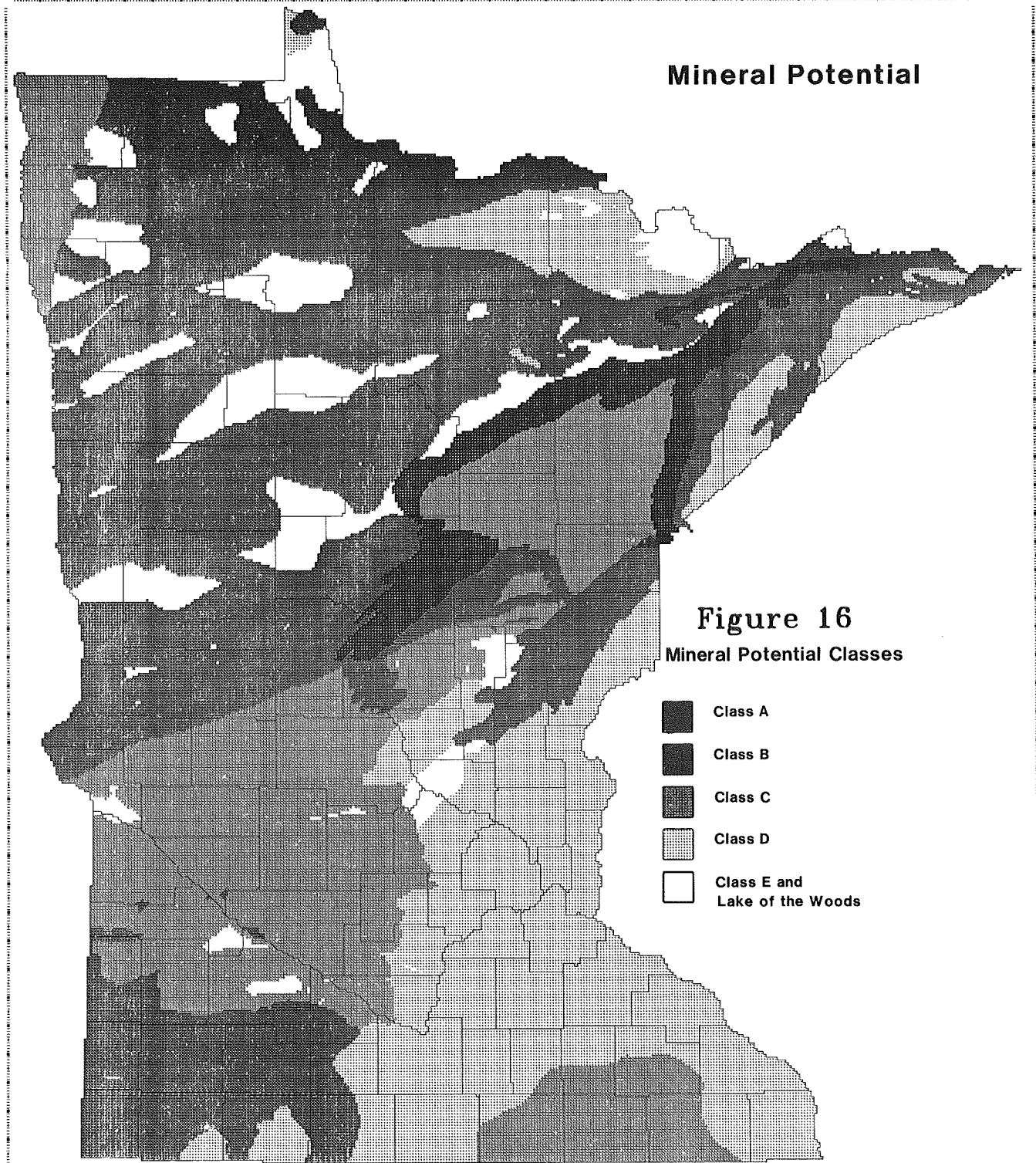
- \$225,543 to the University Trust Fund. Interest from the University Trust Fund is used to support the state university system.

Major DNR revenue generating programs are described below.

A. Mineral Leasing

The state's mineral wealth is considerable. The state's known resources include peat, iron ore, taconite, copper and nickel. However, extensive exploration is also focusing on possible deposits of gold, platinum, palladium, titanium, among others. FIGURE 16 illustrates metallic mineral potential in Minnesota with Class A comprising rock types thought to have the most potential to contain significant mineral deposits.

Mineral Potential



Source: Minnesota Department of Natural Resources, 1984.

The state, through its mineral management program, promotes and facilitates mineral development. The state is the single largest owner of mineral rights in Minnesota. The Division of Minerals administers mineral rights for about 12 million acres. (The exact total is being researched by the Division of Minerals.) This includes land whose surface rights are no longer owned by the state. The Division of Minerals also manages the peat on more than 3 million acres of DNR and county-administered land. (See FIGURE 17.) In addition, the Division of Minerals administers a large-scale leasing program to facilitate mineral exploration. Currently, state-owned mineral rights being leased include 240,097 acres for non-ferrous metallic minerals, 9,733 acres for iron ore and taconite, and 5,094 acres for peat.

Management of the state's mineral interests continues to be the major revenue generator for the Permanent School Trust lands and county tax forfeit lands. Revenues are generated from royalty payments for mining on state land, for rental on exploration leases, and for rental and royalty payments on peat leases. Management of mineral interests has generated about \$290 million for the Permanent School Trust Fund alone. In fiscal year 1988, mineral management programs generated \$2,873,320 for the various funds (Permanent School Trust Fund, University Trust Fund, Consolidated Conservation Area fund, general fund) and for local taxing districts.

B. Timber Management

The once-vast expanses of Minnesota virgin timber are now gone. However, through effective management for sustained yield on state and other forest lands, the timber industry continues to be a major economic force in Minnesota. The DNR manages 19.3% of the state's commercial timber land. (See FIGURE 18.) That management provides the nucleus for an expanding timber industry.

DNR timber management generates revenue through timber sales to private individuals and logging operators. Timber is sold through public auction or by informal sales. Timber sale revenues are deposited in the forest management fund or the State Forest Development Account, or are disbursed to counties depending on the type of state land (federal grant, tax forfeit, etc.) from which the timber was harvested.

The ongoing strength in timber revenues is expected to continue. In fiscal year 1988, \$3,169,000 was generated from timber sales. (See FIGURE 19.) Recent and announced expansions in timber processing facilities indicate that demand for Minnesota timber could increase.

DEVELOPMENT POTENTIAL FOR PEAT MINING IN MINNESOTA

Figure 17

- PEATLANDS--ACCESSIBLE AND AVAILABLE FOR STATE LEASING
- ▨ PROTECTION AREAS
- ░ OTHER PEAT MINERAL SOIL AND LAKES

Source: Minnesota Department of Natural Resources, 1984.

Figure 18

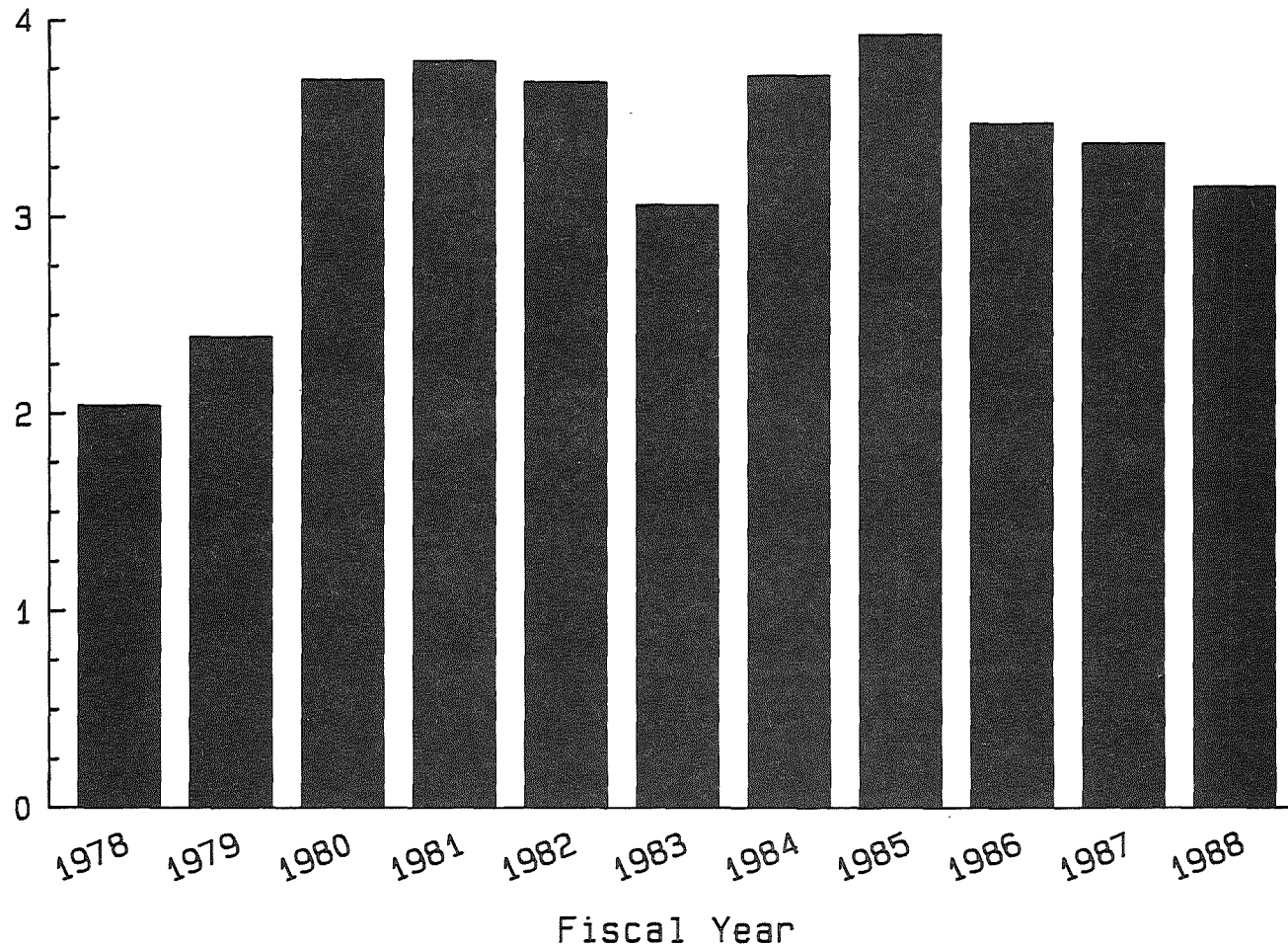
Acres of Commercial Forest Land in Minnesota by Ownership Class and Site Class, 1977 (in thousands of acres)

Ownership class	All classes	Site Class (cubic feet of growth/acre/year)				
		165-224	120-164	85-119	59-84	20-49
National Forest	1,715.1	--	1.5	177.3	694.5	841.8
Bureau of Land Management	43.9	--	--	4.2	14.9	24.8
Indian	466.8	1.4	8.7	78.1	151.0	227.6
Miscellaneous Federal	110.5	--	--	5.8	48.3	56.4
State	2,650.5	1.4	31.5	374.4	722.4	1,520.8
County and Municipal	2,341.6	1.3	46.8	468.7	919.5	905.3
Forest Industry	722.0	1.2	17.5	164.8	230.5	358.0
Farmer	3,403.7	1.4	30.7	414.1	1,318.3	1,639.2
Farmer owned-leased	--	--	--	--	--	--
Misc. Private-Corporate	466.7	--	5.2	89.0	201.4	171.1
Misc. Private-Individual	1,712.0	--	--	265.5	691.1	737.7
Misc. Private-Corporate, leased	5.7	--	--	1.4	4.3	--
Misc. Private-Individual, leased	6.6	--	--	1.0	2.7	2.9
All owners	13,695.1	6.7	159.6	2,044.3	4,998.9	6,485.6

Source: U.S. Forest Service, Phase One Forest Inventory in Minnesota

Figure 19
Revenue from Timber Sold on State Land
F.Y. 1978 to 1988

Total Actual Receipts (in millions of dollars)



Source:
DNR Division of Forestry

C. Leases, Cooperative Farming Agreements, Easements and Utility Licenses

Minnesota statutes allow the Commissioner of the Department of Natural Resources to permit the lease, license, or easement of DNR-administered land for private use. In recent years, leases have contributed the third largest portion of revenue generated from DNR-administered land. Lease categories include lakeshore, earth removal, commercial, agricultural, governmental, squatter, hunting cabin sites, and miscellaneous. Revenue from leases, licenses and easements equaled about \$1.73 million in F.Y. 1988. (See FIGURE 20.) Over the long-term, lease revenues have been increasing. (See FIGURE 21.) They will continue to increase as leasing rates are adjusted to reflect current market conditions.

Cooperative Farming Agreements allow use of state land for combined agricultural and habitat objectives. Cultivators realize income from farming state land but agree to certain land management treatments that create or benefit wildlife habitat. Easement income is generated when use of state land is permitted for a non-public purpose such as a road access to landlocked property. Fees are charged for utility licenses that permit crossing of state land or waters with transmission facilities.

Revenues from leases, licenses, easements and agreements are placed in various funds including the State Forest Fund, Consolidated Conservation fund, Forest Management fund, Permanent School Trust Fund, and the Game and Fish Fund according to the class of land from which the revenue was generated.

Figure 20

**Revenue from
DNR Leases, Utility Licenses, Easements and Cooperative Farm
Agreements
F.Y. 1987**

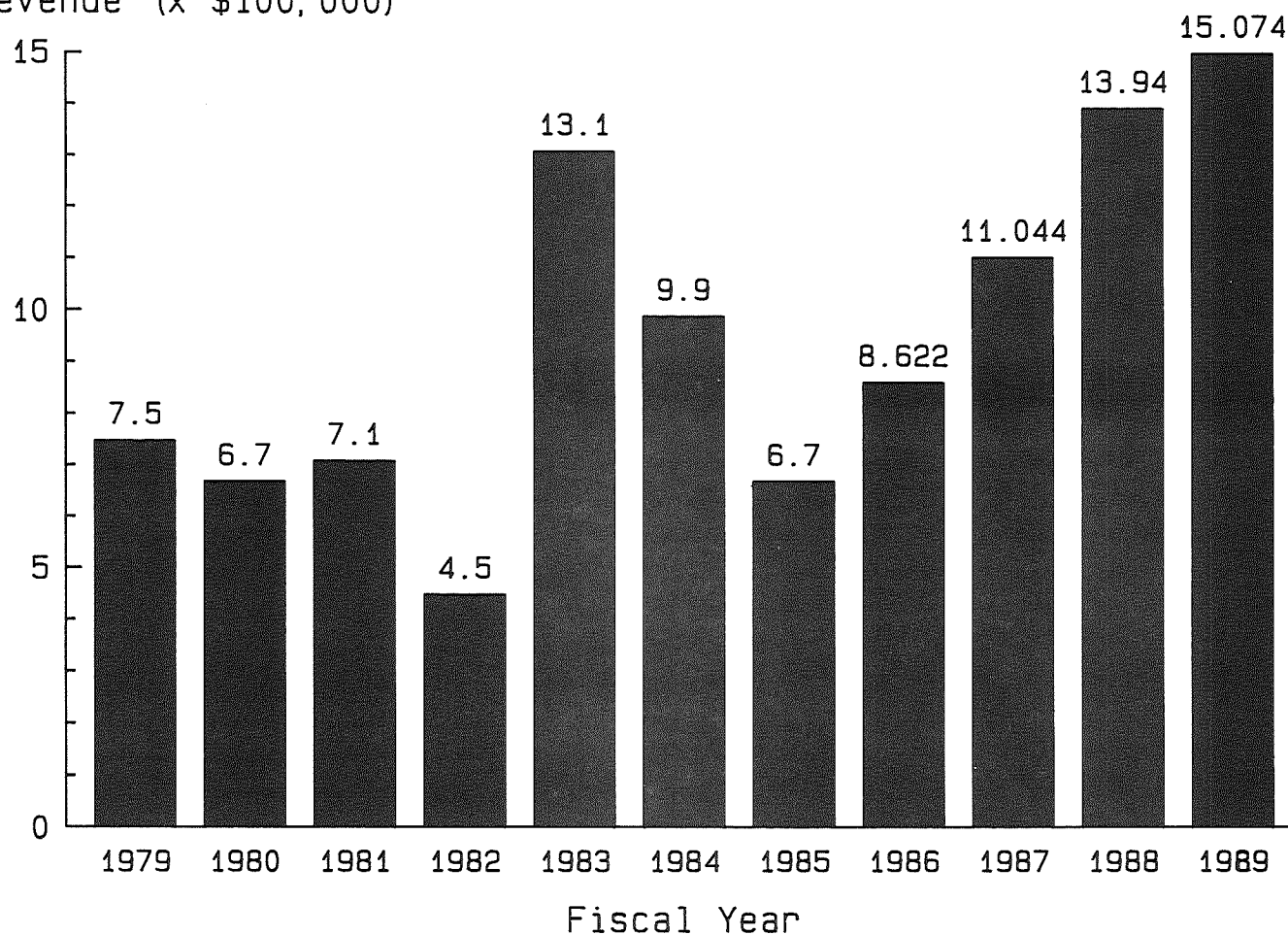
<u>Type of Agreement</u>	<u>Number</u>	<u>Acreage</u>	<u>Projected Revenue for F.Y. 1987</u>
Leases			
Earth Removal	165	1,782	\$63,859
Agriculture	274	10,816	113,732
Commercial	175	4,855	112,874
Governmental	186	3,155	216,515
Lakeshore*	1,785	1,020	576,000
Hunting	150	64	17,590
Miscellaneous	278	555	18,488
Subtotal	3,013	22,247	\$919,058
Cooperative Farming Agreements	587	17,549	\$45,140
Easements	580	2,350	24,342
Utility Licenses	<u>1,490</u>	<u>1,597</u>	<u>31,485</u>
Total	5,670	43,743	1,020,025

* Many lakeshore leases are being sold at public auction
** Not current to 1987

SOURCE: DNR Bureau of Real Estate Management

Figure 21
Revenue from Leases, Licenses, Easements and Agreements
F.Y. 1979 to 1989

Total Revenue (x \$100,000)



Note: 1979-1985 data are approximate. 1989 is projected estimate.

Source:

DNR Bureau of Real Estate Management, Lease Management Information System

D. User Fees, Licenses

The public land base generates a significant amount of revenue through user fees and licenses. User fees are charged to persons using state recreation facilities. In fiscal year 1988, such user fees generated \$4,390,657. This includes the following revenues:

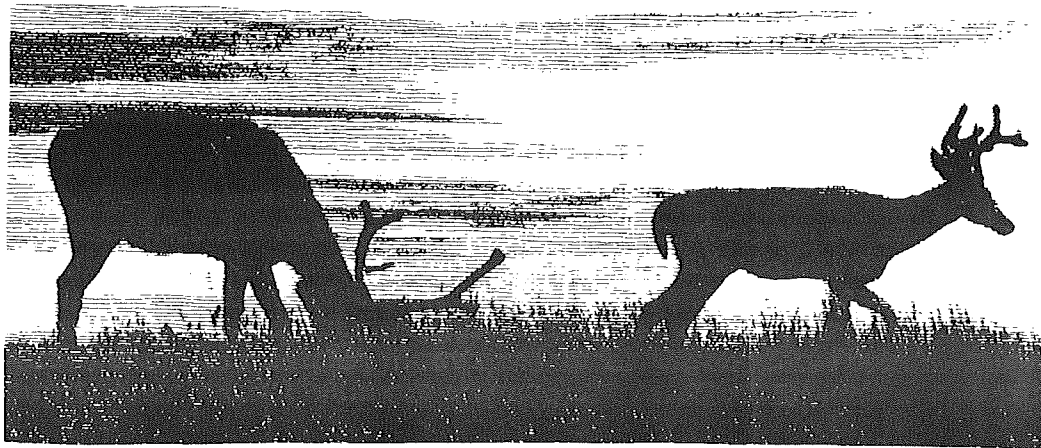
- \$4,080,761 from state park fees. These fees are used for operation and maintenance of the state park system.

- \$100,789 for use of state forest campgrounds. These fees are deposited into the State Forest Campground Account. That account is used for operation and maintenance of state forest campgrounds.

- \$209,107 from cross country ski fees. These are deposited into the Cross Country Ski Account. Funds from that account are used for operation and maintenance of ski trails in DNR units and for grants-in-aid to local governments for operation of local ski trails.

An additional \$1,189,539 was generated from sale of merchandise in state parks and other facilities.

Fishing, hunting, and small game license fees are partially derived from public land and water management since a large share of the activity either occurs on public land or waters or is made possible through management of public land and waters. In fiscal year 1988, sales of these licenses generated \$27,891,743. These revenues are deposited into the Game and Fish Fund.



The licensing of recreation equipment (boats, snowmobiles, etc.) is dependent in part on availability and management of public land and waters. Recreation equipment licenses generated \$4,463,141 in fiscal year 1988. This included the following components:

- \$2,708,665 from sale of boat licenses. These revenues are deposited into the Water Recreation Account. Revenues from that account are used for acquisition, development, maintenance and operation of public water accesses, canoe and boating routes, and boat and water safety programs and for enforcement of water recreation laws.

- \$1,422,142 from sale of snowmobile licenses. These revenues are deposited into the state Snowmobile Account. Revenues from that account are used for development and maintenance of state and unit snowmobile trails and for grants-in-aid to local government for development and maintenance of local snowmobile trails.

- \$332,334 for All Terrain Vehicle (ATV) licenses. These revenues are deposited into the state ATV account. Revenues from that account are used for development of state ATV trails, enforcement of ATV laws and for grants-in-aid to local government for development of local ATV trails.

VII. PAYMENTS TO LOCAL GOVERNMENTS:

Counties and special districts receive a variety of payments from the DNR based on the acreage and type of state lands in their jurisdictions. In fiscal year 1986, the DNR distributed about \$6,250,000 to counties. These payments include the following:

A. In Lieu of Taxes

'In-lieu-of-tax' payments compensate counties for loss of real estate tax revenue due to state land in their districts. In fiscal year 1988, the DNR distributed \$5,912,142 dollars to counties as in-lieu payments. (See FIGURE 22.) Compensation level is determined by how the state land was acquired.

- Counties are compensated \$3 per acre for land on tax rolls before it came into state ownership. In fiscal year 1986, the DNR paid counties \$1,691,864 for such land.

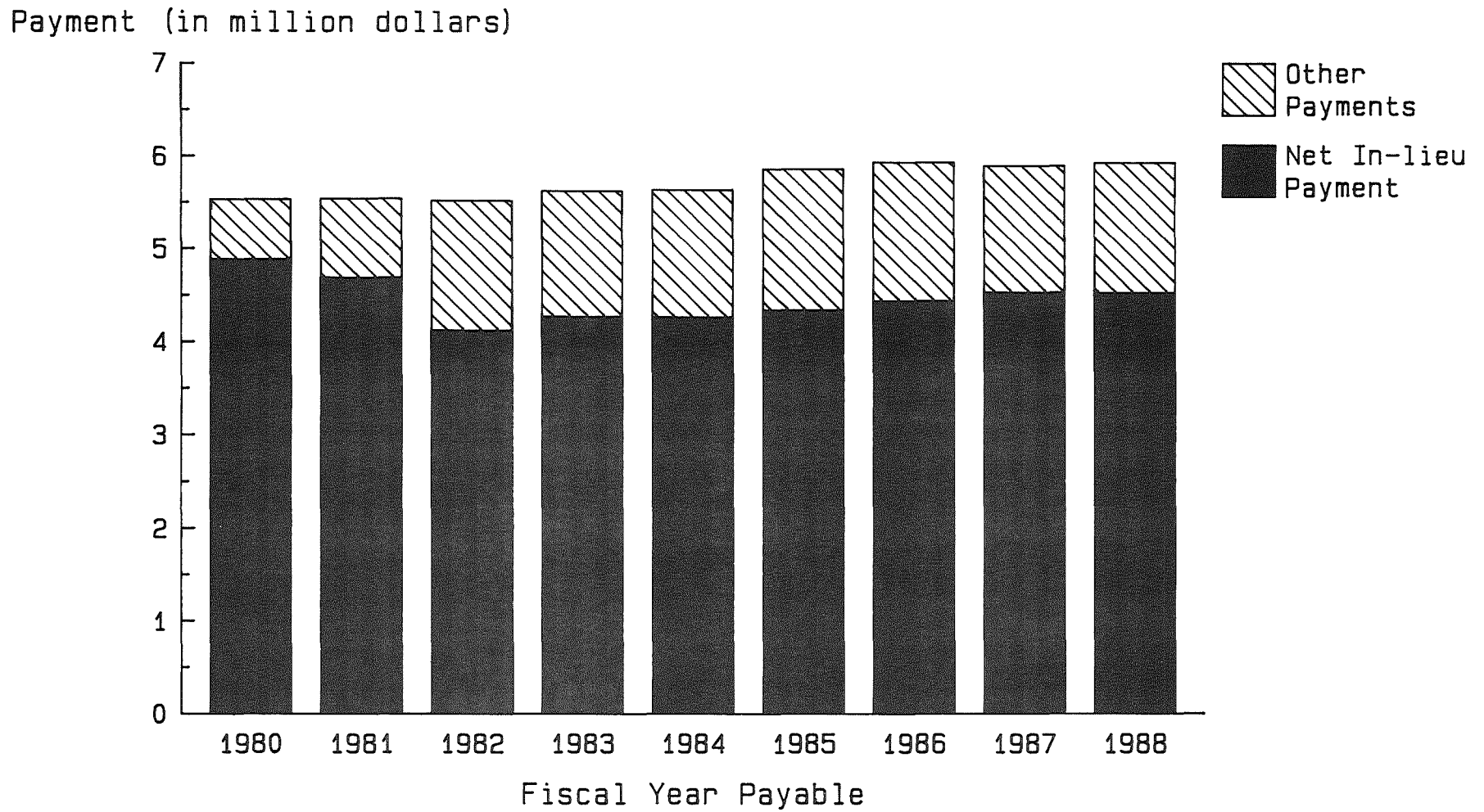
- Counties are compensated 37½ cents per acre for land that was not on the tax rolls at the time of acquisition. This include trust land and tax-forfeited land administered by the DNR. The DNR paid counties \$2,786,019 for such land in fiscal year 1986.

- Counties are compensated 75 cents per acre for all tax-forfeited land administered by the counties. Counties received \$2,082,514 from the DNR in fiscal year 1986 for tax-forfeit land.

- Counties receive an in-lieu tax payment from the Game and Fish Fund for land within wildlife management areas. The payment equals 35% of the gross receipts from all special use permits and leases of lands acquired for public hunting grounds and game refuges, or 50 cents per acre on purchased land actually used for public hunting grounds and game refuges, or three quarters of one percent of the appraised value of purchased land actually used for public hunting grounds or game refuges - whichever amount is the greater. In F.Y. 1988, these payments equaled \$670,000. (See FIGURE 23.)

The sum of the above three categories equals more than the \$5.9 million total cited in the first paragraph of this section. The total paid per county is reduced based on funding the county receives from the funds mentioned below. In-lieu payments are deposited in the county general fund and may be partially disbursed to townships and school districts based on the acreage of state land in each jurisdiction.

Figure 22
DNR In-Lieu Payments



Source: DNR Bureau of Real Estate Management

B. Revenue Sharing

Revenue sharing disburses proceeds from DNR land management to counties. Payments are based on the acreage and types of state land in the county. The following payments were issued in F.Y. 1986:

- A share of revenue from management of consolidated conservation lands is distributed to counties. In F.Y. 1988, the DNR paid counties \$284,642 from the Consolidated Conservation Fund.

- In F.Y. 1988, the DNR distributed \$392,459 from management proceeds deposited in the State Forest Fund.

- In F.Y. 1988, the DNR provided 30% of rent receipts from acquired land as payment to counties for property taxes. This equaled \$8,069.

- The DNR pays counties a share of revenues from mineral rents and royalties from tax-forfeit lands. In F.Y. 1988, these payments equaled \$747,813.

C. Taxes

Although state land is generally exempt from real estate taxes, payments are made in several situations. These include:

- Watershed and ditch districts levy assessments for construction and repairs of ditches that are adjacent to or benefit state land. In F.Y. 1987, the DNR paid \$251,881 to counties and other special districts for ditch assessments.

- Certain levies on state land for municipal services (water, sewer, curb and gutter) are paid by the DNR. In F.Y. 1987, these levies totaled \$20,078.

- By special statute, the Game and Fish Fund must reimburse counties for the assessed real estate taxes based on comparable privately-owned, adjacent croplands where the state owns more than 1,000 acres of cropland used for wild goose management purposes. In F.Y. 1987, the DNR paid Chippewa County \$26,166 on state land within the Lac Qui Parle Wildlife Management Area.

-The DNR pays real estate taxes on residences used by its employees. In F.Y. 1986, such payments equaled \$98,432.

-The DNR pays a short-term declining indemnity for land in Tettegouche and Wild River state parks. In F.Y. 1986, these payments totaled \$6,986.

-The DNR pays real estate taxes (which are due the next year) on new acquisitions that have been recorded in the county recorder's office after October 15th and before the first Monday in January of the following year. It also pays special provisions for real estate taxes negotiated with the county. In calendar year 1987, these payments equaled \$7,469.

SYNOPSIS OF MINNESOTA WATER LAW

SOME BASIC WATER LAW

Who owns the bed? If the waterbasin or watercourse is navigable under the federal test, the State owns the bed. See Lamprey v. State, 52 Minn. 181, 53 N.W. 1139 (1893) and United States v. Holt State Bank, 270 U.S. 49 (1926). The test: ". . . when they are used, or are susceptible of being used, in their natural and ordinary condition, as highways for commerce, over which trade or travel may be conducted . . .". See State v. Longyear Holding Co., 224 Minn. 451, 29 N.W. 2d 657 (1947). If a waterbasin is non navigable and meandered, the shoreland owners own the bed of a lake in severalty. See Schmidt v. Marschel, 211 Minn. 543, 2 N.W. 2d 121 (1942). If a watercourse is non navigable and meandered, the shoreland owners own to the bed of the stream. If a basin or watercourse is non navigable and not meandered, ownership of the bed is as indicated on property deeds.

What is the ordinary high water line? This line marks the boundary of the bed. It is the highest level at which the water has remained long enough to leave its mark upon the landscape. See Lake Minnetonka Improvement, 56 Minn. 513, 58 N.W. 295 (1894) and 6 MCAR § 1.5020D.

What are riparian rights? These are property rights arising from owning shoreland. They include the right: to wharf out to a navigable depth; to take water for domestic and agricultural purposes; to use land added by accretion or exposed by reliction; to take ice; to fish, boat, hunt, swim; to such other uses as water bodies are normally put. See Sanborn v. People's Ice Co., 82 Minn 43, 84 N.W. 641(1900) and Lamprey v. State, 52 Minn. 181, 53 N.W. 1139 (1893). The riparian has the right to make use of the lake over its entire surface. See Johnson v. Seifert, 257 Minn. 159, 100 N.W. 2d 689 (1960).

Riparian duties. A riparian must exercise his rights reasonably, so as not to unreasonably interfere with the riparian rights of others. See Petraborg v. Zontelli, 217 Minn. 536, 15 N.W. 2d 174 (1944). He cannot dike off and drain, or fence off, his part of the lake (Johnson v. Seifert). It is a public nuisance and a misdemeanor to "interfere with, obstruct, or render dangerous for passage ... waters used by the public". See Minn. Stat. § 609.74.

Public rights. Where the public is riparian, as by a public road abutting the water, or an access easement, the public has riparian rights. See Flynn v. Beisel, 257 Minn. 531, 102 N.W. 2d 284 (1960).

DNR REGULATION OF APPROPRIATION OF WATERS OF THE STATE

Waters of the state are any waters, surface or underground, except those waters which are not confined but are spread and diffused over the land. See Minn. Stat. § 105.37 subd.7 (1986).

Appendix B

SUMMARY OF FEDERAL LAND OWNERSHIP IN MINNESOTA BY AGENCY; 1983

Federal Lands Agency	Est. Acres	% Federal Land	% Total Land Area
Forest Service	2,824,044	82.72	5.52
Fish and Wildlife Service	382,735	11.21	0.75
National Park Service	133,455	3.91	0.26
Bureau of Land Management	44,067	1.29	0.09
Army Corps of Engineers	24,043	0.70	0.50
Other Federal Agencies	5,831	0.17	0.01
	<hr/>	<hr/>	<hr/>
TOTAL FEDERAL AGENCIES	3,414,176	100.00	6.67

SOURCE: *Minnesota Public Lands, 1983, Land Management Information Center, State Planning Agency and DNR Bureau of Real Estate Management. November, 1983*

Appendix C

LEGAL RESTRICTIONS ON DISPOSAL OF STATE LAND

1. CONSTITUTIONAL RESTRICTIONS

MINN. CONST. of 1974, art. 11, § 10, reserves the right to the state all mineral and water power rights in the lands transferred by the state.

2. FEDERAL RESTRICTIONS

16 U.S.C. § § 669-669l (1937). Pittman-Robertson Act; Federal Aid in Wildlife Restoration. Lands purchased in fee or easement with federal aid reimbursement money, if sold or exchanged, must be replaced with lands of equal biological and monetary value.

16 U.S.C. § § 777-777k (1951). Dingell-Johnson Act; Federal Aid in Fish Restoration. Legal restrictions on sale are similar to those of Pittman-Robertson.

Land and Water Conservation Act of 1965, Pub. L. No. 88-578 § 6f, 78 Stat. 1898. "LAWCON" lands are outdoor recreation lands for which LAWCON monies have been used for acquisition or development within the units boundaries. The law prohibits any change in usage of the land without the approval of the Secretary of the Interior. Land is acquired or developed for outdoor recreation purposes with LAWCON funds. DNR sales must be replaced with lands of equal value if the conversion is approved.

3. MINNESOTA STATUTES

Minn. Stat. § § 85.011-85.012 (1986). Any lands located within the established boundaries of a state park may not be sold.

Minn. Stat. § 89.022 (1986). If any parcel acquired after July 1, 1977 for the Memorial Hardwood Forest contains more than ten contiguous acres of tillable land, the commissioner of administration must offer the land for sale not less than six months after acquisition and once thereafter in each of the next two years.

Minn. Stat. § § 92.01-92.321 (1986). These sections regulate the sale of school or other trust fund lands. Revenue these lands accrue to the several permanent funds to which they belong.

Minn. Stat. § 92.45 (1986). State land bordering or adjacent to meandered lakes and other public waters and watercourses may not be sold. State property bordering public waters that is leased for the purpose of a private cabin may be offered for sale. See Minn. Stat. § 92.67 (1986 and Supp. 1987).

Minn. Stat. § 92.461 (1986). State lands which are chiefly valuable by reason of peat deposits in commercial quantities may not be sold.

Minn. Stat. § § 94.09-94.16 (1986). These sections regulate the sale of all state land except trust fund land and lands under the management of the University of Minnesota and the Department of Transportation.

Minn. Stat. § § 282.01-282.40 (1986). These sections regulate the classification and sale of all tax-forfeited land.

DATA SUPPLEMENT

Figure 13

**TOTAL EXCHANGE ACRES BY TYPE
F.Y. 1943 TO 1988**

<u>FISCAL YEARS</u>	<u>STATE/PRIVATE</u>	<u>STATE/FEDERAL</u>	<u>STATE/COUNTY</u>
1943 & 1944	0	4,788.945	390
1945 & 1946	0	0	80.04
1947 & 1948	70.985	0	0
1949 & 1950	457.565	0	643.86
1951 & 1952	1,299.285	0	195.2
1953 & 1954	356.025	0	3,735.16
1955 & 1956	516.015	18,322.935	3,708.64
1957 & 1958	669.95	9,886.595	40.00
1959 & 1960	602.495	5,292.2	80.00
1961 & 1962	6,233.94	0	990.585
1963 & 1964	10,185.54	0	6,760.715
1965 & 1966	9,005.475	405.37	657.355
1967 & 1968	7,530.88	0	142.625
1969 & 1970	7,155.685	0	195.275
1971 & 1972	6,890.66	8.08	0
1973 & 1974	4,662.175	0	1,351.02
1975 & 1976	3,138.845	30.75	173.995
1977 & 1978	381.245	0	759.915
1979 & 1980	1,519.0625	0	3,768.095
1981 & 1982	2,069.749	346.93	3,212.9
1983 & 1984	5,114.0895	669.5	1,850.185
1985 & 1986	1,260.615	0	1,627.445
1987	482.09	1,220.665	991.19
1988	610.355	0	144.42
Total	70,212.7260	40,971.970	31,498.620

SOURCE: DNR Bureau of Real Estate Management

Figure 14

**NUMBER OF LAND EXCHANGES BY TYPE
F.Y. 1943 TO 1988**

<u>FISCAL YEARS</u>	<u>STATE/PRIVATE</u>	<u>STATE/FEDERAL</u>	<u>STATE/COUNTY</u>
1943 & 1944	0	1	4
1945 & 1946	0	0	2
1947 & 1948	3	0	0
1949 & 1950	2	0	1
1951 & 1952	10	0	2
1953 & 1954	5	0	1
1955 & 1956	7	3	5
1957 & 1958	9	1	1
1959 & 1960	10	1	2
1961 & 1962	18	0	2
1963 & 1964	24	0	8
1965 & 1966	18	2	4
1967 & 1968	24	0	3
1969 & 1970	18	0	3
1971 & 1972	13	1	0
1973 & 1974	18	0	6
1975 & 1976	10	1	3
1977 & 1978	10	0	10
1979 & 1980	14	0	15
1981 & 1982	24	2	12
1983 & 1984	32	1	16
1985 & 1986	16	0	21
1987	18	2	5
1988	9	0	4
Total	312	15	130

SOURCE: DNR Bureau of Real Estate Management

Figure 15

**ACREAGE AND REVENUE FROM DNR LAND SALES
F.Y. 1978-1988**

<u>FISCAL YEAR</u>	<u>ACRES OFFERED FOR SALE*</u>	<u>ACREAGE SOLD</u>	<u>SALE PRICE</u>
1978	618	278	\$ 57,299
1979	1,046	610	130,074
1980	1,598	1,188	1,298,422
1981	725	360	72,120
1982	0	0	0
1983	2,690	582	119,862
1984	1,993	85	18,100
1985	89	89	25,276
1986	486	46	4,825
1987	4630	170	21,400
1988	649	287	27,519
TOTAL	14,524	3,695	1,774,897

* Includes condemnation of trust land for other resource management.

SOURCE: *DNR Bureau of Real Estate Management*

Figure 19

**Revenue from Timber Sold on State Land
F.Y. 1978 to 1988**

<u>FISCAL YEAR</u>	<u>TOTAL ACTUAL RECEIPTS</u>
1978	\$2,049,010
1979	2,397,820
1980	3,707,760
1981	3,803,800
1982	3,698,680
1983	3,076,000
1984	3,730,000
1985	3,938,700
1986	3,486,700
1987	3,387,300
1988	3,169,000

SOURCE: *DNR Division of Forestry*

SUMMARY OF DNR LAND ACQUISITION BY PROGRAM

PROGRAM: WATER BANK

YEAR	ACRES	AMOUNT
1978	-	-
1979	-	-
1980	-	-
1981	180	\$ 70,749
1982	983	291,361
1983	1,164	381,575
1984	482	230,338
1985	1,169	334,452
1986	1,327	184,949
1987	637	407,197
1988	95	199,802

SOURCE: 1978-1981 *Evaluation of State Land Acquisition and Disposal,*
 Office of Legislative Auditor, March 14, 1983.
 DNR Bureau of Real Estate Management

**SUMMARY OF
DNR LAND ACQUISITION BY PROGRAM**

PROGRAM: FISH MANAGEMENT AREAS

<u>YEAR</u>	<u>ACRES</u>	<u>AMOUNT</u>
1978	419	\$ 212,090
1979	204	224,514
1980	536	565,025
1981	454	803,041
1982	238	284,276
1983	67	102,030
1984	152	185,380
1985	112	165,770
1986	98	90,555
1987	71	79,428
1988	1,082	3,937,930

SOURCE: 1978-1981 *Evaluation of State Land Acquisition and Disposal,*
 Office of Legislative Auditor, March 14, 1983
 1982-1988 *DNR Bureau of Real Estate Management*

SUMMARY OF DNR LAND ACQUISITION BY PROGRAM

PROGRAM: SCIENTIFIC AND NATURAL AREAS

<u>YEAR</u>	<u>ACRES</u>	<u>AMOUNT</u>
1978	342	\$ 15,000
1979	294	148,100
1980	5,950	403,762
1981	484	143,345
1982	387	128,000
1983	421	16,500
1984	499	189,900
1985	132	184,800
1986	174	131,432
1987	1,948	104,150
1988	334	93,600

SOURCE: 1978-1981 Evaluation of State Land Acquisition and Disposal,
Office of Legislative Auditor, March 14, 1983.
1982-1988 DNR Bureau of Real Estate Management

SUMMARY OF
DNR LAND ACQUISITION BY PROGRAM

PROGRAM: WATER ACCESS SITES

<u>YEAR</u>	<u>ACRES</u>	<u>AMOUNT</u>
1978	13	\$ 76,694
1979	23	107,316
1980	44	376,048
1981	23	354,500
1982	47	843,831
1983	60	993,105
1984	29	489,963
1985	39	428,695
1986	56	596,224
1987	49	821,013
1988	61	733,448

SOURCE: 1978-1981 *Evaluation of State Land Acquisition and Disposal,*
 Office of Legislative Auditor, March 14, 1983.
 1982-1988 *DNR Bureau of Real Estate Management*

PROGRAM: WILDLIFE MANAGEMENT AREAS

<u>YEAR</u>	<u>ACRES</u>	<u>AMOUNT</u>
1978	8,978	\$ 2,152,462
1979	6,577	2,439,000
1980	10,248	3,986,123
1981	2,859	949,313
1982	8,210	1,748,546
1983	4,833	1,380,595
1984	7,692	1,919,862
1985	4,405	2,822,045
1986	5,164	2,508,151
1987	6,514	1,628,019
1988	3,892	1,503,327

SOURCE: 1978-1981 Evaluation of State Land Acquisition and Disposal,
Office of Legislative Auditor, March 14, 1983.
1982-1988 DNR Bureau of Real Estate Management

PROGRAM: WILD AND SCENIC RIVERS

SOURCE: 1978-1981 Evaluation of State Land Acquisition and Disposal,
Office of Legislative Auditor, March 14, 1983.
1982-1988 DNR Bureau of Real Estate Management

SUMMARY OF DNR LAND ACQUISITION BY PROGRAM

PROGRAM: TRAILS

<u>YEAR</u>	<u>ACRES</u>	<u>AMOUNT</u>
1978	111	\$ 102,176
1979	396	341,795
1980	1,237	866,444
1981	892	627,727
1982	201	98,822
1983	19	23,569
1984	156	219,185
1985	175	2,082,825
1986	97	82,051
1987	243	100,084
1988	228	140,845

SOURCE: 1978-1981 Evaluation of State Land Acquisition and Disposal,
Office of Legislative Auditor, March 14, 1983.
1982-1988 DNR Bureau of Real Estate Management

SUMMARY OF
DNR LAND ACQUISITION BY PROGRAM

PROGRAM: STATE PARKS

YEAR	ACRES	AMOUNT
1978	4,972	\$ 1,669,061
1979	4,195	2,547,806
1980	4,970	3,003,182
1981	5,091	1,917,821
1982	3,439	1,386,433
1983	47	209,500
1984	400	759,885
1985	320	353,800
1986	925	691,250
1987	569	433,580
1988	680	998,500

SOURCE: 1978-1981 *Evaluation of State Land Acquisition and Disposal,*
 Office of Legislative Auditor, March 14, 1983.
 1982-1988 *DNR Bureau of Real Estate Management*

SUMMARY OF
DNR LAND ACQUISITION BY PROGRAM

PROGRAM: CANOE AND BOATING ROUTES

<u>YEAR</u>	<u>ACRES</u>	<u>AMOUNT</u>
1978	41	\$ 20,110
1979	54	29,750
1980	50	57,288
1981	53	61,640
1982	16	20,254
1983	27	35,600
1984	0	0
1985	95	66,050
1986	15	30,800
1987	16	28,600
1988	1	9,000

SOURCE: 1978-1981 *Evaluation of State Land Acquisition and Disposal,*
 1982-1988 *Office of Legislative Auditor, March 14, 1983*
 DNR Bureau of Real Estate Management

SUMMARY OF
DNR LAND ACQUISITION BY PROGRAM

PROGRAM: STATE FORESTS

<u>YEAR</u>	<u>ACRES</u>	<u>AMOUNT</u>
1978	511	\$ 301,338
1979	5,055	1,840,640
1980	3,359	1,608,192
1981	1,724	1,137,812
1982	484	205,258
1983	275	141,820
1984	128	19,646
1985	166	109,692
1986	312	156,860
1987	231	99,566
1988	658	159,714

SOURCE: 1978-1981 *Evaluation of State Land Acquisition and Disposal,*
 Office of Legislative Auditor, March 14, 1983.
 1982-1988 *DNR Bureau of Real Estate Management*

SUMMARY OF
DNR LAND ACQUISITION BY PROGRAM

PROGRAM: ALL PROGRAMS

<u>YEAR</u>	<u>ACRES</u>	<u>AMOUNT</u>
1978	16,417	\$ 4,926,292
1979	18,771	8,995,488
1980	28,153	12,229,833
1981	12,367	6,442,308
1982	14,381	5,261,835
1983	6,973	3,292,144
1984	9,596	4,019,534
1985	7,373	6,673,866
1986	8,307	4,493,622
1987	10,780	3,799,977
1988	7,133	8,052,666

SOURCE: 1978-1981 *Evaluation of State Land Acquisition and Disposal,*
 Office of Legislative Auditor, March 14, 1983.
 1982-1988 *DNR Bureau of Real Estate Management*

County Payments, F.Y. 1987, Payable 1988

County	Payment In-Lieu	Other Payments	Total
Aitkin	\$ 325,159	\$ 57,148	\$ 382,307
Anoka	21,921	25,973	47,894
Becker	79,536	36,612	116,148
Beltrami	322,388	59,463	381,851
Benton	480	2,616	3,096
Big Stone	2,535	10,179	12,714
Blue Earth	0	13,900	13,900
Brown	4,391	3,446	7,837
Carlton	77,884	18,564	96,448
Carver	969	2,147	3,116
Cass	248,467	34,434	282,901
Chippewa	10,843	23,470	34,313
Chisago	0	54,224	54,224
Clay	14,564	2,855	17,419
Clearwater	133,142	7,080	140,222
Cook	62,085	107	62,192
Cottonwood	3,544	11,177	14,721
Crow Wing	94,790	1,220	96,010
Dakota	6,667	5,028	11,695
Dodge	101	720	821
Douglas	9,049	7,302	16,351
Faribault	2,740	3,900	6,640
Fillmore	13,557	20,775	34,332
Freeborn	485	5,878	6,363
Goodhue	8,253	13,509	21,762
Grant	4,329	6,241	10,570
Hennepin	797	1,581	2,378
Houston	21,770	14,602	36,372
Hubbard	152,236	91,357	243,593
Isanti	2,039	4,575	6,614
Itasca	351,595	35,225	386,820
Jackson	0	11,007	11,007
Kanabec	20,000	5,105	25,105
Kandiyohi	10,951	6,121	17,072
Kittson	56,181	21,556	77,737
Koochiching	604,925	59,999	664,924
Lac Qui Parle	2,262	29,852	32,114
Lake	204,965	3,200	208,165
Lake of the Woods	165,152	85,153	250,305
Le Sueur	6,968	2,610	9,578
Lincoln	0	23,451	23,451
Lyon	0	31,798	31,798
McLeod	1,247	5,491	6,738
Mahnomen	17,681	14,104	31,785
Marshall	69,785	20,281	90,066
Martin	0	11,231	11,231
Meeker	1,029	6,297	7,326

County Payments, F.Y. 1987, Payable 1988 (continued)

<u>County</u>	<u>Payment In-Lieu</u>	<u>Other Payments</u>	<u>Total</u>
Mille Lacs	\$ 39,368	\$ 16,003	\$ 55,371
Morrison	9,116	5,050	14,166
Mower	1,448	3,550	4,998
Murray	9,860	16,582	26,442
Nicollet	983	635	1,618
Nobles	0	7,640	7,640
Norman	6,980	9,754	16,734
Olmsted	0	13,689	13,689
Ottertail	37,990	11,089	49,079
Pennington	6,170	5,050	11,220
Pine	101,242	50,857	152,099
Pipestone	2,469	2,063	4,532
Polk	26,970	22,477	49,447
Pope	7,802	4,950	12,752
Ramsey	286	710	996
Red Lake	2,040	5,147	7,187
Redwood	1,157	10,065	11,222
Renville	0	3,062	3,062
Rice	821	6,452	7,273
Rock	4,716	0	4,716
Roseau	114,995	47,158	162,153
St. Louis	903,934	28,865	932,799
Scott	11,214	2,089	13,303
Sherburne	7,888	3,245	11,133
Sibley	755	3,072	3,827
Stearns	4,045	2,864	6,909
Steele	0	6,409	6,409
Stevens	1,156	6,789	7,945
Swift	6,175	12,678	18,853
Todd	13,001	7,065	20,066
Traverse	49	705	754
Wabasha	2,801	43,457	46,258
Wadena	4,858	8,962	13,820
Waseca	1,746	4,026	5,772
Washington	8,306	3,295	11,601
Watonwan	813	2,064	2,877
Wilkin	0	16,241	16,241
Winona	48,777	47,794	96,571
Wright	2,055	14,160	16,215
Yellow Medicine	5,859	8,508	14,367
Total	4,535,307	1,376,835	5,912,142

SOURCE: *DNR Bureau of Real Estate Management*