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PAYMENTS IN LIEU OF TAXES

**A Report to the
Minnesota Legislature
January 6, 1989**

**Minnesota Department of Natural Resources
Bureau of Real Estate Management**

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**REPORT TO THE MINNESOTA LEGISLATURE
ON IN-LIEU-OF-TAX PAYMENTS**

Executive Summary

- * In 1979 the legislature established a program for making payments in lieu of taxes to local governments for state-owned land. The purpose of the program was to alleviate the impact of public land ownership on local tax bases and to provide for natural resource development on county-administered land.
- * Problems related to the efficiency and equity of the in-lieu payment program, along with recent policy changes affecting property tax relief, have generated interest in a review of the program.
- * In-lieu payments are made annually on approximately 8.1 million acres of state-owned land, 65% of which is administered by the DNR and 35% administered by the counties.
- * Total payments to counties have averaged over \$5.7 million per year since the in-lieu program began. The total cost has been over \$5.9 million in each of the last three years.
- * Over three-quarters (76%) of the total annual cost is paid by the general fund. The balance is about evenly split between the Game & Fish fund and revenue generated from leases and timber sales.
- * Determination of in-lieu payments is governed by five different statutes that prescribe unnecessarily complicated calculations requiring substantial input of staff time by both the state and the counties.
- * Because in-lieu payments are primarily based on fixed per-acre amounts, they poorly reflect land values. As a result, in-lieu payments often do not correspond to taxes on similar privately owned land.
- * Approximately 75% of total annual in-lieu payments is allocated to county government. Townships and school districts, which most keenly feel the tax-base impacts of public land ownership, complain that this allocation is unfair to them.
- * In-lieu allocation is not explicitly coordinated with any other intergovernmental aid programs, leaving local governments largely unaccountable for how they spend in-lieu revenue.
- * In some northern counties, in-lieu payments are a major source of funding for local government. Since these revenues are not reflected in local mill rates, they create potential incentives for local spending.
- * A survey of several other states with in-lieu payment programs revealed that none have payment determination formulas as complicated as Minnesota's. Most either make fixed per-acre payments or pay at local private rates.

- * The Department recommends a comprehensive study of the in-lieu payment program to find ways of eliminating inequities inherent in current payment formulas. The DNR, the Department of Revenue, counties and other local units of government should be involved in this study.
- * The Department recommends repeal of current laws requiring calculation of various payments to counties that are subsequently deducted from gross in-lieu amounts and therefore do not increase total payments. Statutes involved are M.S. 89.036, M.S. 97A.061 and M.S. 272.68 Subd. 3.
- * The Department recommends study of the state's policy of supporting natural resource management on county-administered land, which currently is funded by both a portion of in-lieu payments and direct grants appropriated by the legislature for this purpose. The study should have two objectives: (1) determining an appropriate level of support; and (2) examining the possibility of switching support from in-lieu payments to a more uniform and integrated approach to local government aid.

REPORT TO THE MINNESOTA LEGISLATURE ON IN-LIEU-OF-TAX PAYMENTS

Introduction

The impact of public land ownership on the local tax base has long been a concern to local governments. Over the years several attempts to provide payments in lieu of taxes have been made, and in 1979 the legislature passed a comprehensive approach to the problem. The current situation is not perfect, however. Several issues need to be addressed.

The current procedure makes payments to the counties based primarily on the acreage of land in various categories. Payments are not explicitly related to land value. As a result, inequities occur. These inequities are compounded by the fact that counties often receive all or part of any revenue generated from the land as well as the state's payment in lieu of taxes. Furthermore, payment determination involves a very complex accounting and calculation system that requires a large amount of effort by both the state and local governments.

These factors, combined with more recent policy changes that affect property tax relief, have generated interest in reviewing this area of activity.

State Land Ownership

The state makes annual payments in lieu of taxes on roughly 8.1 million acres of state-owned land. This total includes approximately 600 thousand acres of land acquired by purchase, condemnation or gift from private ownership, another 600 thousand acres of land acquired by various means from tax-exempt ownership, 1.5 million acres of Consolidated Conservation land, 2.6 million acres of trust land and 2.8 million acres of tax-forfeited land.

Consolidated Conservation (Con-Con) land is a special class of tax-forfeited land established by the legislature in the 1930's. This land was transferred to state ownership at that time, after large scale drainage projects in several northern Minnesota counties failed and the state paid off the counties' ditch bonds, which were in default. Con-Con land accounts for about 19% of current state land ownership.

Trust land consists of public domain land granted to the state by the U.S. government at the time of statehood. Grant lands were to be held in trust for a variety of public interest purposes, such as support of public schools and universities, and promotion of development. The original federal grants totalled over 16.5 million acres. Most of the more desirable trust lands were subsequently sold. The 2.6 million acres of trust land that remain account for 32% of current state land ownership.

Together, Con-Con land and trust land account for just over half (51%) of state land ownership. Tax-forfeited land accounts for another 35 percent. Land acquired from private ownership by purchase, condemnation or gift accounts for only about 7% of state land ownership. Other acquired land accounts for the remaining 7 percent.

Administrative responsibility for state-owned land is shared by the state and the counties. The state (through the DNR) manages approximately 5.3 million acres, or 65% of total state ownership. This includes acquired land, Con-Con land and trust land. By law, counties administer the 2.8 million acres of tax-forfeited land (the remaining 35% of total state ownership). They are responsible for managing this land and keep any revenue generated from it.

Payment History

From 1980 to the present, total in-lieu payments to counties have averaged over \$5.7 million, although the total has been over \$5.9 million in each of the last three years. Of this total annual cost, net in-lieu payments have comprised an average of nearly \$4.5 million. Net in-lieu payments equal gross payments calculated according to the prescribed formula, less other payments deducted as provided by statute. Deductions and other payments average nearly \$1.3 million, and were over \$1.4 million in FY1988. (See Appendix 1).

Funding sources for in-lieu payments in FY1988 were as follows:

<u>Source</u>	<u>Amount (1000)</u>	<u>Description</u>
General Fund	\$4,535	Net in-lieu (MS477A.11)
Game & Fish Fund	670	Pub. Hntg Grnds (MS97A.061)
Leases/timber sales	732	Revenue sharing (MS84A.51, 89.036, 272.68)
Total	<u>\$5,937</u>	

Of the \$5.9 million total payment in recent years, approximately \$3.8 million (64%) was for DNR-administered land. The remaining \$2.1 million of total payments (36%) was paid for county-administered tax-forfeit land. (See Appendix 2).

Payment Determination

Determination of payments in lieu of taxes is currently governed by five separate statutes that prescribe general rates to be paid for different land classes, alternative rates for certain types of land, and special rates for some counties. The statutes are:

M.S. 477A.11-14 (In-lieu Payments Per Acre): Established amounts to be paid to counties per acre of state land in county, by type of land (\$3/acre acquired land, \$.75/acre county-administered tax-forfeit land and \$.375/acre of other land, including trust land and Consolidated Conservation land). Provides for deduction of other payments, described below. Prescribes allocation of payments within county.

M.S. 84A.51 (Con-Con Fund): Established Consolidated Conservation Areas fund, for proceeds from management of state land in Con-Con areas. Apportions half (50%) of such proceeds back to counties and prescribes allocation of funds.

M.S. 89.036 (State Forest Fund): Apportions half (50%) of state forest fund gross receipts to county, to be received and distributed by the county treasurer as if ordinary property tax revenue.

M.S. 97A.061 Subd. 1 (Public Hunting Grounds): Prescribes three alternate formulas for "Public Hunting" payments to counties, with payment to be based on the formula that yields the largest amount, and directs county treasurer to distribute payment as ordinary property tax revenue. Subd. 3 (Goose Management Exception).

M.S. 272.68 Subd. 3 (Rent Receipts): Provides for 30% (or other percentages as provided by other laws) of rent receipts from acquired land to be paid to counties as property taxes.

This complicated set of statutes requires several calculations for each of the state's 87 counties, with additional special calculations in some cases. Payments made according to the above revenue sharing provisions are deducted from gross in-lieu payments calculated according to M.S. 477A. Both DNR and county staff are involved in these calculations.

Because of the complexity of the system, a considerable amount of staff time is required to determine in-lieu payments for each county. State and county staff must keep track of acreages for three categories of property, changing land values, certifications by counties, new acquisitions and purchase prices, and land exchanges. They must also track rental and timber sale income from acquired and Con-Con land by county, which involves hundreds of leases and timber sales annually.

Ironically, the administrative burden created by the extra calculations required for public hunting ground payments and revenue sharing results in no net gain for most counties. The reason for this is that except for Con-Con payments made according to M.S. 84A.51, these other payments are deducted from the gross in-lieu payments that the counties would otherwise receive.

Another problem with the payment calculation formulas is that per-acre payments often poorly reflect land values. The fixed per-acre payments of \$3 per acre of acquired land, \$.375 per acre of trust and Con-Con land and \$.75 per acre of tax-forfeit land can represent excessively high tax rates for low-value land and unfairly low tax rates for high-value land, as shown below:

Land Type	Pmt/Ac	Effective In-lieu Tax Rate, MV =			
		\$1,000/ac	\$500/ac	\$200/ac	\$50/ac
		(% of MV)			
Acquired *	\$3.00	0.30%	0.60%	1.50%	6.00%
Tax Forfeit *	\$0.75	0.08%	0.15%	0.38%	1.50%
Trust/Con-Con *	\$0.38	0.04%	0.08%	0.19%	0.75%
Con-Con (with lease @ 8% of MV)	**	4.04%	4.08%	4.19%	4.75%

* Based on M.S. 477A.12

** \$0.375 plus 50% of lease revenue, based on M.S. 477A.12 and 84A.51

Consequently, northern counties with large acreages of remote, low-value public land may enjoy comparatively higher effective in-lieu tax rates than do southern and western counties where public ownership consists largely of higher-value acquired agricultural land. Public hunting ground payments, usually at .75% of land value, and revenue sharing provisions may partially offset this disparity in some southern counties. However, revenue sharing in northern counties, particularly Con-Con payments, tend to widen the in-lieu tax rate gap.

Payment Allocation

As prescribed by the statutes, the state makes in-lieu-of-tax and other payments directly to the counties. Allocation of these payments to local units of government within the counties varies according to the type of payment, and, like payment determination, involves equity concerns.

Nearly \$4.5 million, or over three-fourths (77%) of total annual in-lieu and other payments, is allocated according to the provisions of M.S. 477A.14, which divides payments between the county and organized townships within it. The county receives the majority of these funds, with the county share divided between its general fund for the purpose of property tax relief, and a resource development fund for management of county-administered land.

School districts receive none of these payments directly. However, they presumably benefit indirectly from property tax relief resulting from in-lieu income to the county's general fund.

Another 18% of total in-lieu and other payments to counties--roughly \$1.1 million--is allocated according to M.S. 89.036, 97A.061 Subd. 1, and 272.68 Subd. 3. Public hunting ground payments (for acquired wildlife land) account for most of these funds. As provided in the statutes, these funds are distributed by the county treasurer to local units of government in the same manner as ordinary property tax revenue. Thus, counties, townships and school districts each receive a share of these payments.

The remaining 5%--\$267 thousand in FY1988--is divided between counties, school districts and townships according to M.S. 84A.51 Subd. 4. These payments consist of half of the revenue generated from Con-Con land and are made to the counties where the revenue is generated.

Overall, an estimated \$3.3 million--56% of total in-lieu payments--is allocated to county general funds for property tax relief. Another \$1.1 million (19%) is allocated to county resource development funds. Townships receive about 12%, or nearly \$750 thousand. School districts receive roughly 10% of total payments, or about \$600 thousand. (See Appendix 3).

One often heard complaint regarding in-lieu payment allocation, made by townships and school districts, is that too much of the money is allocated to county government and not enough to them. Their complaints are based on the fact that the existing allocation method distributes most of the in-lieu income over the entire county rather than in the townships and school districts where the public land is located and where the tax-base impacts are most keenly felt. Even where the statutes call for distribution of payments in

the same manner as property tax revenue, townships and school districts often complain that the county treasurer fails to comply.

Coordination With Other Local Aid Programs

As of 1988, the in-lieu payment allocation formula is not explicitly coordinated with any other intergovernmental aid programs. Prior to 1988, however, the formula was at least partially coordinated. The portion of in-lieu payments allocated to county general funds for property tax relief (just over half of total payments) was treated as a deduction by the Department of Revenue in determining the counties' annual levy limits.

This deduction has been discontinued, effective with payments made in 1988, as part of the state's property tax reform efforts. However, new base levels established for the counties reflect 1987 (payable) levies net of the in-lieu deduction. Thus, the county general fund portion of in-lieu payments continues to be reflected in levy limits, although indirectly. In contrast, county resource development, township and school district allocations have been and continue to be independent of other aid programs.

The absence of explicit coordination with other intergovernmental aid programs means that local units of government are largely unaccountable for how they spend in-lieu payments--either to the state or to local taxpayers. This does not necessarily imply improper use of these funds. However, lack of accountability can lead to spending decisions by local governments that they would not make if they had to answer to local taxpayers.

Incentives For Local Spending

In most Minnesota counties, state payments in lieu of taxes are relatively small compared to total local levies. They amounted to less than one percent of total levies in 74 of the state's 87 counties in 1987 (payable). Thus, in most counties, in-lieu payments do not create significant incentives for local spending.

However, in a few counties--those with large amounts of state-owned land--in-lieu payments represent an important source of funding for local government. (See Appendix 4, summarizing allocation of in-lieu payments in selected counties). In-lieu payments are a major source of revenue in these counties for the county general fund and for resource management on county-administered land. Since these revenues are not reflected in local mill rates, they do create incentives for local spending.

Such incentives are inevitable, although unintended results of the in-lieu program. The program was established in recognition of the fact that counties with a substantial public land base may be unable to raise sufficient revenue from local taxpayers to fund basic services and county land management programs. It was intended to address both of these concerns.

However, any time local government service costs are subsidized, users are prone to demand greater levels of service than they would if they had to pay more nearly the actual cost. Similarly, local government is prone to spend more than is necessary for adequate levels of service if funds are available

from some source other than local taxpayers. One result is that local taxpayers may benefit from services that don't cost them as much as comparable services cost taxpayers in other counties.

Changes in Revenue Raising/Spending Behavior

Sources in the Minnesota Department of Revenue and the State Auditor's Office were contacted to obtain information regarding revenue raising and spending behavior by local governments. They indicated that the total amounts involved with in-lieu payments are too small to detect statistically significant effects on such behavior at a statewide level.

However, because in-lieu payments are concentrated in a relatively small number of counties where they constitute an important funding source, a county-by-county evaluation may reveal significant effects. Unfortunately, historical data at the county level is not readily available for such analysis, and it therefore was not feasible for this report.

In-Lieu Payments in Other States

A survey of nine other states showed that although all but one make some sort of payment in lieu of taxes (Kentucky is the exception), none have as complicated a set of calculations to make as Minnesota's. Three of the nine surveyed states (Iowa, South Dakota, Wyoming) simply pay at local rates assessed against private land. Three other states (Ohio, Pennsylvania, Utah) make fixed payments per acre--Pennsylvania and Utah using flat per-acre rates of \$.60 and \$.50, respectively, and Ohio using a rate of 1% of purchase price with no adjustments for future land value changes. (See Appendix 5).

Michigan distinguishes between purchased land, on which it pays local private rates, and gift or tax-forfeit land, on which it pays a fixed rate of \$2.00 per acre. Idaho returns fine monies from game and fish violations to the counties based on the amount of state land in each county.

Information on how other states coordinate in-lieu payments with other intergovernmental aid programs is not readily available. However, contacts with a few states (Michigan, Ohio and South Dakota) indicated that their in-lieu payments are not explicitly coordinated with other aid programs. Like Minnesota, Michigan often receives complaints from townships and school districts about the counties' distribution of in-lieu funds (Michigan allocates 40% of in-lieu payments to the county general fund, 40% to the township general fund and 20% to school district operating funds).

Recommendations

1. The issue of tax equity needs to be studied in greater detail. Under current law, when high-value land such as water access sites are acquired by the state from private ownership, significant reductions in tax revenue to local units of government are likely to occur. At the same time, current law provides for payments on low-value wetlands and forestlands that may be greater than the taxes on similar private lands.

This issue should be studied by a group that includes the DNR, the Department of Revenue, and representatives from county and other local units of government, in order to examine the current situation and recommend specific solutions to the problem.

2. Current laws requiring calculation of various payments that are subsequently deducted from gross in-lieu amounts, and therefore do not increase total in-lieu payments to counties, create needless administrative workload and expense. To eliminate these unnecessary costs, the pertinent provisions of M.S. 89.036, M.S. 97A.061 and M.S. 272.68 Subd. 3 should be repealed.
3. The portion of in-lieu payments currently allocated for natural resource development and management on county-administered tax-forfeited land has provided significant benefits to the counties. In recent years the legislature has also appropriated grants to the counties for the same purpose. Perhaps it is appropriate to examine the opportunity for a more unified approach to supporting resource management on tax-forfeited land.

Toward that end, the Department recommends that a study be done by a group with appropriate representation to examine this issue and make recommendations to the legislature for action. The objective of this study should be to determine the appropriate level of support for resource management and to evaluate the opportunity to switch from the current method of in-lieu payments to a more uniform and integrated approach to local government aid.

APPENDIX 1

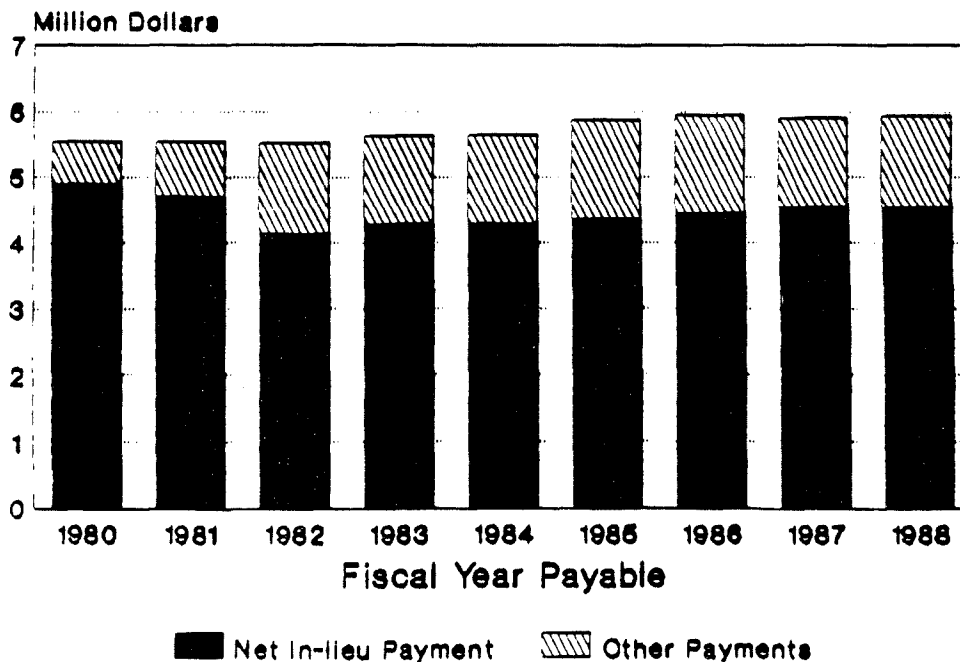
DNR IN-LIEU PAYMENT HISTORY (Dollars in Thousands)

Payable FY	Net In-lieu Payment*	Other Payments**	Total Payment
1980	4,900.9	645.0	5,545.9
1981	4,702.3	349.4	5,051.7
1982	4,134.8	1,396.0	5,530.8
1983	4,284.6	1,348.8	5,633.4
1984	4,278.7	1,367.0	5,645.7
1985	4,356.5	1,515.9	5,872.4
1986	4,453.1	1,491.4	5,944.5
1987	4,544.5	1,362.1	5,906.6
1988	4,535.3	1,401.9	5,937.2

* Gross payments calculated according to M.S. 477A.11-14 less deductible payments made under other statutes.

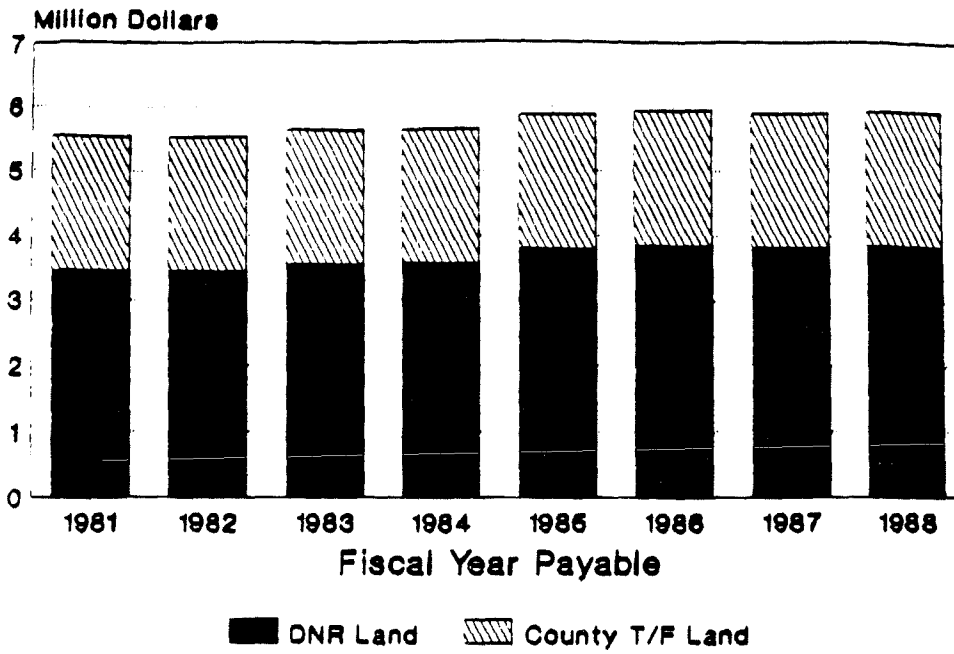
** Includes payments made under provisions of M.S. 84A.51, 89.036, 97.49 and 272.68 as well as other adjustments.

DNR In-Lieu Payments

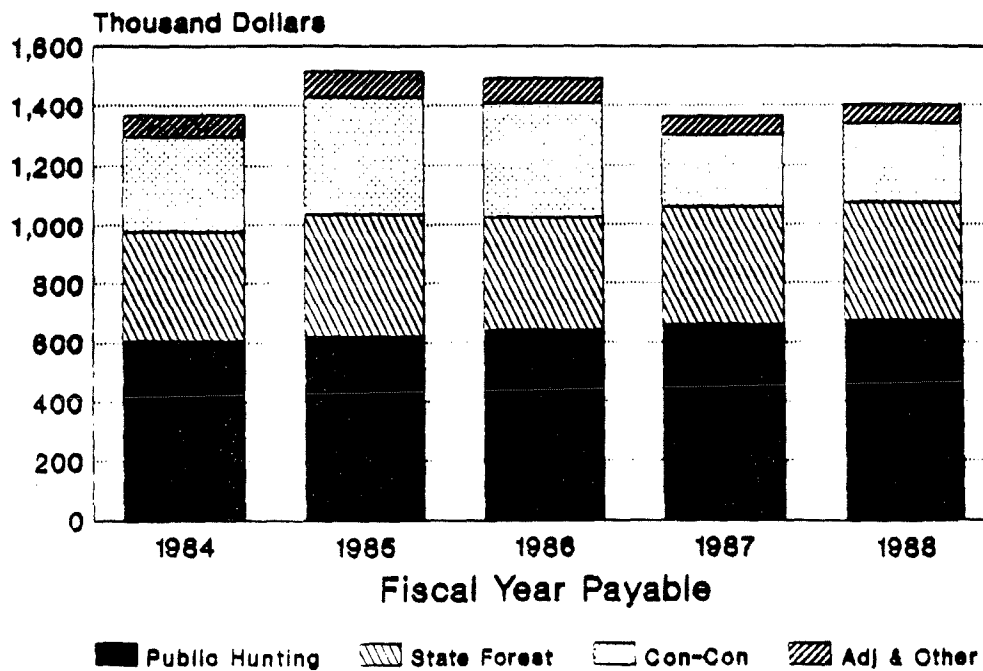


APPENDIX 2

Payments on DNR vs County Land



Makeup of Other Payments

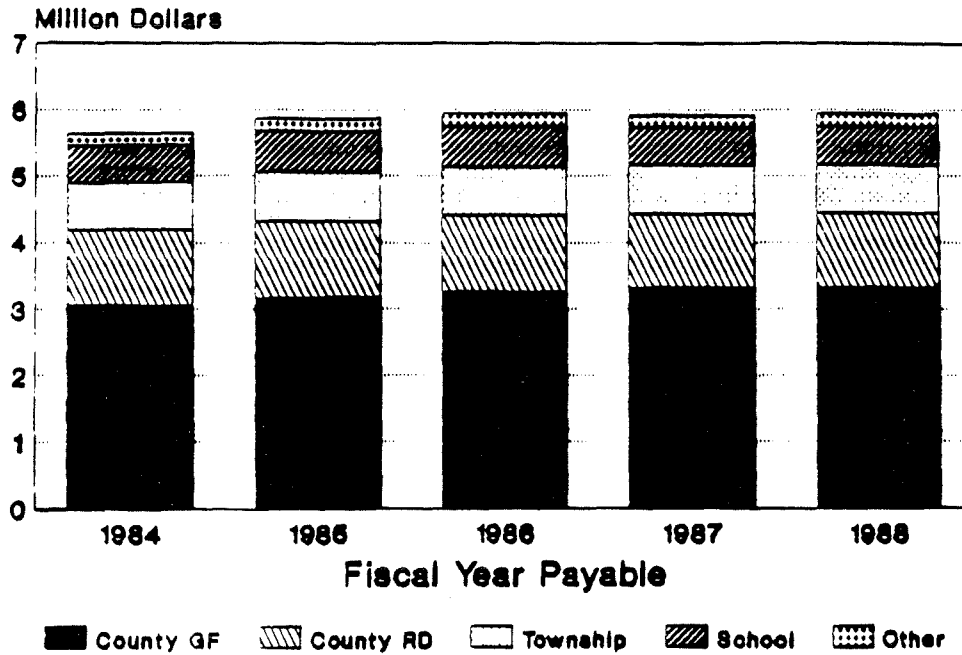


APPENDIX 3

ALLOCATION OF IN-LIEU PAYMENTS

Payable FY	County General Fund	County Resource Dev't	Township	School District	Other
1984	3,050.6	1,137.7	718.4	558.0	181.0
1985	3,161.7	1,162.1	736.4	617.5	194.8
1986	3,252.1	1,150.1	732.7	607.7	192.0
1987	3,314.9	1,118.2	731.6	564.2	177.7
1988	3,311.5	1,126.3	737.7	579.4	182.3

Allocation of In-Lieu Payments



APPENDIX 4

ALLOCATION OF IN-LIEU PAYMENTS: SELECTED COUNTIES (FY1987 PAYABLE)

County	County General Fund	County Resource Dev't	Township	School District	Other	Total
Aitkin	221.3	101.9	34.2	27.6	0.5	385.5
Becker	60.5	28.4	12.4	11.8	3.0	116.1
Beltrami	242.3	72.2	45.8	23.5	0.1	383.9
Cass	140.0	95.2	23.8	18.8	4.8	282.6
Clearwater	92.7	34.7	9.6	2.7	0.7	140.3
Cook	49.2	2.4	10.6	0.0	0.0	62.3
Hubbard	111.1	51.2	32.2	39.1	10.0	243.7
Itasca	229.3	106.8	33.9	13.0	3.3	386.3
Kittson	52.4	0.1	13.1	9.4	2.4	77.4
Koochiching	436.8	125.0	89.1	33.8	2.4	687.1
Lake	133.8	55.8	16.0	0.3	2.2	208.1
Lake of Woods	133.8	0.2	33.3	0.3	0.1	167.7
Mahnomen	13.6	2.3	6.7	7.1	1.8	31.5
Marshall	62.6	0.4	16.2	9.0	2.2	90.3
Pine	90.2	17.5	24.3	15.5	4.0	151.5
Roseau	108.4	20.9	26.2	28.6	1.2	185.4
St. Louis	543.9	328.1	50.6	8.2	2.1	933.0
Total	2,721.9	1,043.1	478.2	248.6	41.0	4,532.8

IN-LIEU ALLOCATIONS AS PERCENT OF TOTAL LEVY: SELECTED COUNTIES (FY1987 PAYABLE)

County	% of County Levy	% of City/Twp Levy	% of School Levy	% of Total Levy
Aitkin	8.1%	2.8%	0.6%	3.8%
Becker	1.7%	0.5%	0.1%	0.7%
Beltrami	5.7%	2.0%	0.3%	2.5%
Cass	3.8%	1.1%	0.2%	1.8%
Clearwater	6.0%	2.1%	0.1%	2.8%
Cook	2.6%	3.0%	0.0%	1.7%
Hubbard	4.3%	3.0%	0.7%	2.4%
Itasca	2.4%	0.6%	0.1%	1.1%
Kittson	2.5%	1.4%	0.3%	1.1%
Koochiching	22.0%	4.6%	1.2%	9.1%
Lake	5.7%	1.3%	0.0%	3.3%
Lake of Woods	12.3%	9.6%	0.0%	6.8%
Mahnomen	1.2%	1.4%	0.4%	0.9%
Marshall	2.0%	1.4%	0.2%	0.9%
Pine	2.3%	1.6%	0.3%	1.2%
Roseau	7.0%	2.6%	0.6%	2.5%
St. Louis	1.6%	0.2%	0.0%	0.7%
Total	3.2%	0.8%	0.2%	1.5%

APPENDIX 5

IN-LIEU-OF-TAX PAYMENTS IN SELECTED STATES SURVEY RESULTS

<u>State</u>	<u>Method of Payment</u>
Idaho	Fine monies from fish & game violations are distributed to counties for school district use based on amount of state land in county.
Iowa	Payments made at local private rates as funding is available. Currently pay \$60,000 per year.
Kentucky	No payments.
Michigan	Payment made at \$2.00 per acre of tax-forfeit land and gift land; payment at regular private ad valorem rates for purchased land.
Ohio	Payment made on purchased land at 1 percent of purchase price. Fixed payment (i.e., no adjustment for changing land values). Monies paid to counties for use by school districts where land is located.
Pennsylvania	Pays flat rate of \$0.60 per acre of state land, divided equally among county, township and school district.
South Dakota	State land classed as "public shooting range" taxed as private land. No payment on other state land.
Utah	Payment made at \$0.50 per acre of land removed from private ownership.
Wyoming	State pays taxes at same rate as private landowners.

COUNTY	ACRES ACQUIRED	PAYMENT \$/ACRE	ACRES OTHER	PAYMENT \$.375/ACRE	ACRES FORFEIT	PAYMENT \$.75/ACRE	GROSS PAYMENT	MS 84A.51 CON COM	MS 89.036 ST FOREST	MS 97A.061 HUNT GRDS	MS 272.68 70 / 30	GROSS DEDUCTS	ADJUST MENTS	IN-LIEU PAYMENTS
AITKIN	6,121	10,363	305,536	144,576	222,114	166,500	329,525	(52,702)	0	(4,300)		(57,140)	52,702	\$325,159
ANOKA	15,712	47,136	1,313	492	354	260	47,094			(25,073)		(25,073)		\$21,921
BECKER	14,573	43,719	41,759	15,600	75,690	56,760	116,147		(30,091)	(6,521)		(36,612)		\$19,536
BELTRAMI	2,003	6,009	561,010	210,670	146,011	110,100	326,796	(55,055)	(2,700)	(1,610)		(59,463)	55,055	\$322,300
BENTON	1,017	3,051	120	45	0	0	3,096			(2,610)		(2,610)		\$400
BIG STONE	3,791	11,373	3,577	1,341	0	0	12,714			(10,170)		(10,170)		\$2,535
BLUE EARTH	2,901	0,973	41	15	0	0	0,900			(13,755)	(145)	(13,900)		\$0
BROWN	2,500	7,764	172	65	11	0	7,037			(3,440)		(3,440)		\$4,301
CARLTON	5,140	15,430	70,000	26,576	72,579	54,434	96,440		(10,543)	(17)		(10,560)		\$77,004
CARVER	1,034	3,102	9	3	14	11	3,116		(243)	(1,000)	(14)	(2,147)		\$969
CASS	0,227	24,001	100,001	67,523	254,202	190,697	202,901		(20,215)	(6,217)	(2)	(36,434)		\$240,467
CHIPPewa	5,012	16,036	3,009	1,450	310	233	10,527			0		0	(7,604)	\$10,043
CHISAGO	14,033	44,499	907	370	261	196	45,065			(44,016)		(44,016)	(10,200)	\$0
CLAY	5,075	17,025	091	334	00	60	17,419			(2,055)		(2,055)		\$14,564
CLEARWATER	19,130	57,414	36,020	13,500	92,400	69,300	140,222		(5,107)	(1,973)		(7,000)		\$133,142
COOK	2,013	0,739	130,000	40,753	6,267	4,700	62,192		(107)	0		(107)		\$62,005
COTTONWOOD	4,707	14,301	011	306	35	20	14,721			(11,177)		(11,177)		\$3,544
CROW WING	3,375	10,125	26,410	0,007	101,302	75,077	00,000		(104)	(1,030)		(1,220)		\$94,790
DAKOTA	3,037	11,511	377	141	57	43	11,095			(5,020)		(5,020)		\$6,667
DODGE	269	007	30	14	0	0	021			(720)		(720)		\$101
DOUGLAS	5,607	16,221	347	130	0	0	16,351			(7,302)		(7,302)		\$9,049
FARIBAULT	2,192	6,576	171	04	0	0	0,640			(3,000)		(3,000)		\$2,740
FILLMORE	11,362	34,000	494	105	01	61	34,332		(10,357)	(2,367)	(51)	(20,775)		\$13,557
FREEBORN	2,102	6,306	151	57	0	0	6,363			(5,070)		(5,070)		\$405
GOODHUE	7,197	21,591	410	157	19	14	21,762		(12,152)	(1,357)		(13,509)		\$0,253
GRANT	3,514	10,542	54	20	10	0	10,570			(6,241)		(6,241)		\$4,329
HENNEPIN	714	2,142	400	100	74	50	2,370			(1,522)	(59)	(1,501)		\$797
HOUSTON	11,025	35,775	1,119	420	230	177	30,372		(14,501)	0	(21)	(14,602)		\$21,770
HUBBARD	41,001	123,603	47,264	17,724	136,514	102,306	243,593		(02,510)	(0,010)	(21)	(91,357)		\$152,236
ISANTI	1,005	5,055	2,007	700	230	173	0,614			(4,575)		(4,575)		\$2,039
ITASCA	20,206	60,790	299,097	112,300	204,040	213,630	306,020		(34,053)	(360)	(3)	(35,225)		\$351,595
JACKSON	3,160	9,447	0	0	4	3	9,450			(11,007)		(11,007)		\$0
KANABEC	3,197	9,591	20,466	7,675	10,450	7,030	25,104		(1,020)	(4,005)		(5,105)		\$20,000
KANDIYOHI	5,512	16,536	456	171	406	365	17,072			(6,119)	(2)	(6,121)		\$10,951
KITSON	21,010	63,054	30,042	14,560	156	117	77,737			(21,556)		(21,556)		\$56,101
KOOCHICING	1,003	3,240	1,001,334	409,250	204,313	213,235	625,734	(30,190)	(20,010)	0		(50,099)	39,190	\$604,925
LAC QUI PARL	0,073	20,619	0,053	2,495	0	0	32,114			(20,052)		(20,052)		\$2,262
LAKE	0,001	29,643	172,037	64,739	140,047	111,635	200,017		(006)	(247)		(1,053)		\$204,965
LAKE / WOODS	1,123	3,369	437,336	164,001	436	327	167,697	(02,600)	(1,961)	(505)		(05,157)	02,600	\$165,152
LESUEUR	3,102	9,546	00	30	3	2	9,570			(2,610)		(2,610)		\$6,960
LINCOLN	6,601	20,043	13	5	0	0	20,040			(23,451)		(23,451)		\$0
LYON	10,270	30,010	0	0	17	13	30,023			(31,700)		(31,700)		\$0
MCLEOD	2,234	6,702	91	34	3	2	6,730			(5,400)	(3)	(5,491)		\$1,247
MAHONEN	5,430	16,317	20,547	10,705	6,220	4,665	31,607	(97)	(5,605)	(0,342)		(14,104)	97	\$17,601
MARSHALL	17,345	52,035	90,541	36,953	0	0	00,900	(1,077)		(10,204)		(20,201)	1,077	\$69,705
MARTIN	2,016	6,040	71	27	0	0	6,075			(11,231)		(11,231)		\$0
NEEKER	2,417	7,251	40	15	00	60	7,326			(6,295)	(2)	(6,297)		\$1,029
MILLE LACS	11,390	34,197	51,900	19,490	2,236	1,677	55,370		(1,469)	(14,534)		(16,003)		\$39,360

1907 "IN-LIEU OF TAXES" PAYABLE 1900
 77A.11-14

APPENDIX 6B

COUNTY	ACRES ACQUIRED	PAYMENT \$/ACRE	ACRES OTHER	PAYMENT \$.375/ACRE	ACRES FORFEIT	PAYMENT \$.75/ACRE	GROSS MS PAYMENT	MS 04A.51 CON COM	MS 09.036 ST FOREST	MS 97A.001 HUNT GRDS	MS 272.60 70 / 30	GROSS DEDUCTS	ADJUST MENTS	IN-LIEU PAYMENTS
MORRISON	4,123	12,369	3,027	1,435	403	302	14,166			(5,050)		(5,050)		\$9,116
MOWER	1,644	4,932	170	64	3	2	4,990			(3,550)		(3,550)		\$1,440
MURRAY	0,014	26,442	0	0	0	0	26,442			(16,500)	(2)	(16,502)		\$9,940
NICOLLET	522	1,566	76	29	31	23	1,610			(635)		(635)		\$903
NOBLES	1,540	4,620	90	34	6	5	4,659			(7,840)		(7,840)		\$0
NORMAN	5,425	16,275	754	283	235	176	16,734			(9,756)		(9,756)		\$6,978
OLMSTED	2,054	7,902	722	271	0	0	8,233		(1,506)	(12,103)		(13,609)		\$0
OTTERTAIL	15,700	47,100	3,913	1,467	603	512	49,070			(11,000)		(11,000)		\$37,990
PENNINGTON	2,079	8,637	2,500	963	2,160	1,620	11,220			(5,050)		(5,050)		\$6,170
PINE	10,410	55,254	104,171	81,504	47,060	35,200	152,090		(50,749)	(100)		(50,851)	36,094	\$101,242
PIPESTONE	1,400	4,440	245	92	0	0	4,532			(2,003)		(2,003)		\$2,469
POLK	15,505	46,515	4,203	1,576	1,000	1,355	49,446		(526)	(21,951)		(22,477)		\$26,970
POPE	4,203	12,609	300	143	0	0	12,752			(4,950)		(4,950)		\$7,802
RAMSEY	332	996	0	0	0	0	996			0	(710)	(710)		\$286
RED LAKE	2,150	6,477	850	322	517	300	7,107			(5,147)		(5,147)		\$2,060
REDWOOD	3,725	11,175	112	42	7	5	11,222			(10,065)		(10,065)		\$1,157
RENVILLE	865	1,995	0	0	0	0	1,995			(3,002)		(3,002)		\$0
RICE	2,207	6,661	1,090	412	0	0	7,273			(6,452)		(6,452)		\$821
ROCK	1,572	4,716	0	0	0	0	4,716			0		0		\$4,716
ROSEAU	9,140	27,430	246,061	92,273	0,463	6,347	120,050	(36,094)	(700)	(10,204)		(47,150)	36,094	\$114,895
ST LOUIS	27,005	81,015	521,400	195,520	875,006	656,255	932,700		(20,000)	(40)	(9)	(20,065)		\$903,934
SCOTT	4,425	13,275	54	20	10	0	13,303			(2,050)	(33)	(2,000)		\$11,214
SHERBURNE	3,330	10,000	2,097	1,124	0	0	11,132		(1,701)	(1,544)		(3,245)		\$7,887
SIBLEY	1,244	3,732	201	75	27	20	3,827			(3,072)		(3,072)		\$755
STEARNS	2,032	6,096	894	335	637	470	8,009			(2,030)	(26)	(2,004)		\$4,005
STEELE	1,725	5,175	77	20	0	0	5,204			(6,400)		(6,400)		\$0
STEVENS	2,040	7,944	3	1	0	0	7,945			(6,709)		(6,709)		\$1,156
SWIFT	6,076	18,220	1,066	625	0	0	19,053			(12,670)		(12,670)		\$6,175
TODD	5,073	17,919	5,642	2,116	40	30	20,065		(3)	(7,002)		(7,005)		\$13,061
TRAVERSE	245	735	50	19	0	0	754			(705)		(705)		\$49
WABASNA	15,350	46,050	441	165	56	42	46,257		(23,070)	(19,570)		(43,457)		\$2,801
WADENA	594	1,702	23,561	0,835	4,270	3,203	13,020		(0,600)	(345)	(9)	(8,962)		\$4,058
WASECA	1,924	5,772	0	0	0	0	5,772			(4,026)		(4,026)		\$1,746
WASHINGTON	3,660	10,980	985	369	336	252	11,601			(3,202)	(3)	(3,295)		\$8,306
WATONWAN	954	2,862	40	15	0	0	2,877			(2,064)		(2,064)		\$813
WILKIN	3,254	9,762	569	213	0	0	9,975			(16,241)		(16,241)		\$0
WIMONA	32,054	96,162	801	330	105	70	96,571		(7,250)	(40,535)		(47,794)		\$48,777
WRIGHT	5,350	16,074	306	115	34	26	16,215			(14,160)		(14,160)		\$2,055
YELLOW MEDIC	4,745	14,235	2	1	175	131	14,367			(8,500)		(8,500)		\$5,867
TOTALS	572,591	1,717,773	4,733,121	1,774,920	2,709,940	2,092,455	5,505,140	(266,901)	(403,200)	(669,699)	(1,115)	(1,341,002)	249,011	\$4,535,307

NET IN-LIEU PAYMENT ONLY. DOES NOT INCLUDE OTHER PAYMENTS OF \$1.402 MILLION.