

HF2105 - 0 - State Land Sales and Exchanges; Easements

Chief Author: **Rick Hansen**
 Committee: **Environment and Natural Resources Finance And Policy**
 Date Completed: **3/6/2023 4:27:47 PM**
 Lead Agency: **Natural Resources Dept**
 Other Agencies:
 Attorney General

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Natural Resources Dept						
Land Acquisition	-	(572)	-	-	-	-
State Total						
Land Acquisition	-	(572)	-	-	-	-
Total	-	(572)	-	-	-	-
Biennial Total			(572)			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Natural Resources Dept					
Land Acquisition	-	-	-	-	-
Total	-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson **Date:** 3/6/2023 4:27:47 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Natural Resources Dept						
Land Acquisition		-	(572)	-	-	-
Total		-	(572)	-	-	-
Biennial Total				(572)		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Natural Resources Dept						
Land Acquisition		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Natural Resources Dept						
Land Acquisition		-	572	-	-	-
Total		-	572	-	-	-
Biennial Total				572		-

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State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings	X	
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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Land Acquisition	-	(572)	-	-	-	-
Total	-	(572)	-	-	-	-
Biennial Total			(572)			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Land Acquisition	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

This bill contains language that was included in HF50 which was signed into law on February 22, 2023. Therefore the fiscal note table reflects the estimated sale value for only Sections 12, 13, 14, and 22 which were not in HF50.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
Land Acquisition	-	(572)	-	-	-	-
Total	-	(572)	-	-	-	-
Biennial Total			(572)			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Land Acquisition	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Land Acquisition	-	572	-	-	-	-
Total	-	572	-	-	-	-
Biennial Total			572			-

Bill Description

This is the DNR's 2023 Lands Bill. Sections 1-3, 5-8, 9 subd. 2, 10-11, 15-21, 23-27 (or versions of those sections that are similar to those sections) are also contained within HF50 and its companion, SF75, which were signed into law on February 22, 2023.

Sec. 1. Amends Minn. Stat. § 84.63 to allow the commissioner of natural resources to assume the application fee and waive or assume some or all of the remaining fees or costs imposed under this section upon the applicant for an easement (the United States, a federally recognized Indian Tribe, or the state of Minnesota or any of its subdivisions) when the commissioner determines that issuing the easement across state land will benefit the state's land management interests.

Sec. 2. Amends Minn. Stat. § 84.631 to allow the commissioner of natural resources to assume the application fee and waive or assume some or all of the remaining fees or costs imposed under this section upon the applicant for an easement (a private person) when the commissioner determines that issuing the easement across state land will benefit the state's land management interests.

Sec. 3. Amends Minn. Stat. § 84.632 to allow the commissioner of natural resources to assume the application fee and waive or assume some or all of the remaining fees or costs imposed under this section upon a landowner who requests the release of an easement acquired by the state when the commissioner determines that the requested easement release will benefit the state's land management interests.

Sec. 4. Amends 84.66, subd. 7 to allow the DNR to acquire conservation easements on lands that are subject to preexisting easements that are acceptable to the commissioner.

Sec. 5. Amends Minn. Stat. § 92.502 to clarify that 30-year leases of DNR facilities are permitted even if they are not associated with recreational trails.

Sec. 6. Amends Minn. Stat. § 282.04, subd. 1(d) to extend a county auditor's authority to lease tax-forfeit land for use specified in subd. 1(d) from ten years to twenty-five years. It also amends subd. 1(d) to require that leases involving a consideration of more than \$50,000 (instead of the current \$12,000) shall first be offered at public sale. It also add new subd. 1(k) which provides that the county auditor may lease tax-forfeit land under the terms and conditions prescribed by the county board for the purpose of investigating, analyzing, and developing conservation easements that provide ecosystem services.

Sec. 7. Amends Minn. Stat. § 282.04, by adding new subd. 4(b) which provides that the county auditor, with prior review and consultation with the commissioner of DNR and under the terms and conditions prescribed by the county board, including reversion in the event of nonuse, may convey certain conservation easements on tax-forfeit lands.

Sec. 8. Adds Minn. Stat. § 282.41 which authorizes St. Louis County authority to sell certain leased lakeshore lots. This effectively reinstates Laws 2012, chapter 236, section 28, subdivision 9, as amended by Laws 2016, chapter 154, section 11, and Laws 2019, First Special Session chapter 4, article 4, section 7, without the sunset provision.

Sec. 9, subd. 1. Adds .9 acres to the boundary of Frontenac State Park, Goodhue County.

Sec. 9, subd. 2. Adds 11.50 acres to the boundary of Myre-Big Island State Park, Freeborn County.

Sec. 9, subd. 3. Adds 77.7 acres to the boundary of William O'Brien State Park, Washington County.

Sec. 10. Deletes 7,482 acres from the boundary of Cloquet Valley State Forest, St. Louis County. The deleted acres have been designated as portions of the Riverlands State Forest, St. Louis County.

Sec. 11. Adds 121.5 acres to Riverlands State Forest, St. Louis County.

Sec. 12. Authorizes the private sale of .061 acres of surplus riparian state land in Aitkin County.

Sec. 13. Authorizes the public sale of 1.2 acres of surplus riparian state land in Becker County.

Sec. 14. Authorizes the public sale of 1.4 acres of surplus riparian state land in Becker County.

Sec. 15. Authorizes the private sale of approximately .15 acres of certain tax-forfeit lands in Beltrami County.

Sec. 16. Authorizes the public sale of 29.6 acres of surplus riparian state land in Cass County.

Sec. 17. Authorizes the private sale of .17 acres of surplus riparian state land in Crow Wing County. Although the tax parcel borders water, the portion of the land to be sold does not border water.

Sec. 18. Authorizes the public sale of 9.53 acres of surplus riparian state land in Fillmore County.

Sec. 19. Authorizes Goodhue County to sell certain tax-forfeit lands by private sale to a local unit of government for no consideration.

Sec. 20. Authorizes the private sale of approximately .55 acres of surplus riparian state land in Hennepin County to a local unit of government for less than market value.

Sec. 21. Authorizes the public sale of 59.0 acres of surplus riparian state land in Itasca County.

Sec. 22. Authorizes the public or private sale of approximately .25 acres of surplus riparian state land in Kandiyohi County.

Sec. 23. Authorizes the private sale of 2.0 acres of surplus state land in Pine County.

Sec. 24. Authorizes St. Louis County to exchange lands within 20 government sections within the county.

Sec. 25. Authorizes St. Louis County to deposit proceeds from the sale of tax-forfeited lands into a land acquisition trust fund established by St. Louis County and authorizes St. Louis County to spend the principal and interest from the fund on the purchase of lands better suited for retention and management by the county. Lands purchased with the trust funds must be subject to a trust in favor of the governmental subdivision where the lands lie and all laws related to tax-forfeit lands and be used for forestry, mineral management, or environmental services.

Sec. 26. Authorizes St. Louis County to sell one parcel and part of another parcel of certain tax-forfeit lands by private sale.

Sec. 27. Authorizes the private sale of .05 acres of surplus riparian state land in Sherburne County for less than market value.

Assumptions

Authorizing the DNR to cover some or all of the fees or costs imposed on an applicant in connection with applications for easements or easement releases will have small fiscal impacts, but the amounts are unknown. It is expected that the

option to cover fees and costs will only rarely be used.

The DNR will offer the surplus state lands in Becker, Cass, Fillmore, and Itasca Counties by public sale in FY24, but it is unknown whether the parcels will sell. The DNR expects the private sales in Aitkin, Crow Wing, Hennepin, Pine and Sherburne Counties to be completed in FY24. DNR expects the Kandiyohi County parcel may be sold by public or private sale in FY24, but it is unknown if this parcel will sell. The following table shows current estimated values of the public and private sale parcels.

Expenditure and/or Revenue Formula

Estimated Proceeds from Land Sales

Sec 12. Aitkin County Private Land Sale	\$1,625
Sec 13. Becker County Public Land Sale	\$218,000*
Sec 14. Becker County Public Land Sale	\$111,900*
Sec 16. Cass County Public Land Sale (in HF50)	\$186,600*
Sec 17. Crow Wing County Private Land Sale (in HF50)	\$2,000
Sec 18. Fillmore County Public Land Sale (in HF50)	\$38,500*
Sec 20. Hennepin County Private Land Sale (in HF50)	\$0
Sec 21. Itasca County Public Land Sale (in HF50)	\$1,343,900*
Sec 22. Kandiyohi County Public or Private Sale	\$240,000*
Sec 23. Pine County Private Land Sale (in HF50)	\$3,000
Sec 27. Sherburne County Private Land Sale (in HF50)	\$1,000
Subtotal	\$2,146,525
Less: Parcels Authorized for Sale in HF50	-\$1,575,000
Total New Authorized Sales in HF2105	\$571,525

No other fiscal impacts are anticipated for the remaining DNR-proposed sections of the Lands Bill.

* Estimated values of the Becker, Cass, Fillmore, Itasca, and Kandiyohi County parcels are based on current county assessed values. The DNR expects to conduct appraisals of these parcels before offering them for sale, which may result in substantial changes to the values.

Of the land sale items listed in the table above, Sections 16, 17, 18, 20, 21, 23, and 27 have a combined estimated value totaling \$1,575,000. Those sections (or versions of those sections that are similar to those sections) are also contained within HF50 and its companion SF75, which were signed into law on February 22, 2023. The DNR-proposed land sale items in the table above that are not contained within HF50 include Sections 12, 13, 14, and 22, which have a combined estimated value of \$571,525.

Long-Term Fiscal Considerations

There will likely be minimal fiscal impacts from the amendments to Minnesota Statutes, sections 84.63, 84.631, and 84.632.

Local Fiscal Impact

Section 15 authorizes Beltrami County to sell certain tax-forfeited lands by private sale, which may result in revenues to Beltrami County of the estimated value of \$2,500.

Section 19 authorizes Goodhue County to sell certain tax-forfeited lands by private sale to a local unit of government for no

consideration. Therefore, the total estimated value of this sale is expected to be \$0.

Section 26 authorizes St. Louis County to sell certain tax-forfeited lands by private sale, which may result in revenues to St. Louis County of the estimated value of \$32,600 (parcel tax identification number 010-0230-03300) and \$3,463 (portion of parcel tax identification number 430-0010-02916).

Sections 6, 7, 8, 24, and 25 may have some local fiscal impact but the impact is unknown.

References/Sources

None.

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 Agency: **Attorney General**

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Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

Bill authorizes DNR to transfer or sell certain identified land parcels.

Assumptions

The AGO currently provides review of the transactions provided for in this bill. The number of additional transactions is expected to be small. The AGO assumes absorbing additional costs into existing resources. The AGO assumes additional work will be required to review and verify the conveyances.

Expenditure and/or Revenue Formula

n/a

Long-Term Fiscal Considerations

n/a

Local Fiscal Impact

n/a

References/Sources

n/a

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