

**HF2105 - 1E - State Land Sales and Exchanges; Easements**

Chief Author: **Rick Hansen**  
 Committee: **Environment and Natural Resources Finance And Policy**  
 Date Completed: **3/31/2023 2:49:14 PM**  
 Agency: **Natural Resources Dept**

| 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 |
| Land Acquisition      | -                    | (572)        | -            | -        | -      | -      |
| <b>Total</b>          | -                    | <b>(572)</b> | -            | -        | -      | -      |
| <b>Biennial Total</b> |                      |              | <b>(572)</b> |          |        | -      |

| Full Time Equivalent Positions (FTE) | Biennium |        |        | Biennium |        |
|--------------------------------------|----------|--------|--------|----------|--------|
|                                      | FY2023   | FY2024 | FY2025 | FY2026   | FY2027 |
| Land Acquisition                     | -        | -      | -      | -        | -      |
| <b>Total</b>                         | -        | -      | -      | -        | -      |

**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:** 3/31/2023 2:49:14 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.

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

**Bill Description**

This is the DNR's 2023 Lands Bill, HF2105, DE2.

Sec. 1. Amends Minn. Stat. § 84.66, subd. 7 to clarify that DNR may acquire conservation easements on lands that are subject to preexisting easements that are acceptable to the commissioner.

Sec. 2. Provides for additions to state parks.

Subdivision 1 adds .9 acres to Frontenac State Park in Goodhue County.

Subd. 2 adds 77.7 acres to William O'Brien State Park in Washington County.

Sec. 3. Adds 121.5 acres to Riverlands State Forest in St. Louis County.

Sec. 4. Authorizes the commissioner of natural resources to sell by private sale .82 acres of surplus state land bordering water in Aitkin County.

Sec. 5. Authorizes the commissioner of natural resources to sell by public sale 1.2 acres of surplus state land bordering water in Becker County.

Sec. 6. Authorizes the commissioner of natural resources to sell by public sale 1.4 acres of surplus state land bordering water in Becker County.

Sec. 7. Authorizes Beltrami County to sell by private sale approximately .15 acres of tax-forfeited land to resolve an encroachment.

Sec. 8. Authorizes Beltrami County to sell by private sale approximately .15 acres of tax-forfeited land to resolve an encroachment.

Sec. 9. Authorizes the commissioner of natural resources to sell by private sale .17 acres of surplus state land bordering water in Crow Wing County. Although the tax parcel borders water, the portion of the parcel to be sold does not border water.

Sec. 10. Authorizes Itasca County to sell by private sale approximately 40.54 acres of tax-forfeited land.

Sec. 11. Authorizes the commissioner of natural resources to sell by public or private sale approximately .25 acres of surplus state land bordering water in Kandiyohi County subject to the state's reservation of a perpetual flowage easement.

Sec. 12. Authorizes Koochiching County to sell by private sale approximately 200 square feet of tax-forfeited land.

Sec. 13. Authorizes St. Louis County to sell by private sale approximately 88.5 square feet of tax-forfeited land to resolve an encroachment.

Sec. 14. Authorizes St. Louis County to sell by private sale approximately 63.4 square feet of tax-forfeited land to resolve an encroachment.

Sec. 15. Authorizes St. Louis County to sell by private sale approximately 943.3 square feet of tax-forfeited land to resolve an encroachment.

Sec. 16. Authorizes St. Louis County to sell by private sale approximately 13.8 square feet of tax-forfeited land to resolve an encroachment.

Sec. 17. Authorizes St. Louis County to sell by private sale tax-forfeited lands totaling approximately 1.57 acres for the Mission Creek Cemetery.

Sec. 18. Authorizes St. Louis County to sell by private sale tax-forfeited lands totaling approximately 1.32 acres for the Mission Creek Cemetery.

Sec. 19. Authorizes St. Louis County to sell by private sale of part of a parcel of tax-forfeited land to resolve an encroachment.

Sec. 20. Authorizes the commissioner of natural resources to sell by private sale .06 acres of land bordering water in Sherburne County for less than market value. (Parcel area updated from .05 acres in previous fiscal note per new survey.)

### **Assumptions**

The DNR will offer the surplus state lands in Becker County by public sale in FY24, but it is unknown whether the parcels will sell. The DNR expects the private sales in Aitkin, Crow Wing and Sherburne Counties to be completed in FY24. DNR expects to offer the Kandiyohi County parcel 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 of surplus state land.

### **Expenditure and/or Revenue Formula**

#### **Estimated Proceeds from Land Sales**

|  |                  |
|--|------------------|
| Sec 4. Aitkin County Private Land Sale               | \$1,625          |
| Sec 5. Becker County Public Land Sale*               | \$218,000        |
| Sec 6. Becker County Public Land Sale*               | \$111,900        |
| Sec 9. Crow Wing County Private Land Sale (in HF50)  | \$2,000          |
| Sec 11. Kandiyohi County Public or Private Sale*     | \$240,000        |
| Sec 20. Sherburne County Private Land Sale (in HF50) | \$1,000          |
| <b>Subtotal</b>                                      | <b>\$574,525</b> |
| <b>Less: Parcels Authorized for Sale in HF50</b>     | <b>-\$3,000</b>  |
| <b>Total</b>   | <b>\$571,525</b> |

\* Estimated values of the Becker 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.

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

### **Long-Term Fiscal Considerations**

None.

**Local Fiscal Impact**

Sections 7 and 8 authorize Beltrami County to sell certain tax-forfeited lands by private sale, which may result in revenues to Beltrami County of the estimated value totaling \$2,800.

Section 10 authorizes Itasca County to sell certain tax-forfeited land by private sale, which may result in revenues to Itasca County of the estimated value of \$36,200 (part of parcel with tax identification number 02-025-4200).

Section 12 authorizes Koochiching County to sell certain tax-forfeited land by private sale, which may result in revenues to Koochiching County of the estimated value of \$500 (part of parcel with tax identification number 95-014-00530).

Sections 13 through 19 authorize St. Louis County to sell certain tax-forfeited land by private sale, which may result in revenues to St. Louis County.

**References/Sources**

None.

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