

**HF50 - 1E - Conveying State Land Interests Modified**

Chief Author: **Rick Hansen**  
 Committee: **Environment and Natural Resources Finance And Policy**  
 Date Completed: **1/19/2023 8:53:42 AM**  
 Lead Agency: **Natural Resources Dept**  
 Other Agencies:  
     Attorney General                      Military Affairs 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
<b>Natural Resources Dept</b>						
Land Acquisition	-	(1,575)	-	-	-	-
<b>State Total</b>						
Land Acquisition	-	(1,575)	-	-	-	-
<b>Total</b>	-	<b>(1,575)</b>	-	-	-	-
<b>Biennial Total</b>			<b>(1,575)</b>			-

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

**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:** Chloe Burns    **Date:** 1/19/2023 8:53:42 AM  
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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>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
<b>Natural Resources Dept</b>						
Land Acquisition	-	(1,575)	-	-	-	-
<b>Total</b>	-	<b>(1,575)</b>	-	-	-	-
	<b>Biennial Total</b>		<b>(1,575)</b>			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Natural Resources Dept						
Land Acquisition	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
	<b>Biennial Total</b>			-		-
<b>2 - Revenues, Transfers In*</b>						
Natural Resources Dept						
Land Acquisition	-	1,575	-	-	-	-
<b>Total</b>	-	<b>1,575</b>	-	-	-	-
	<b>Biennial Total</b>		<b>1,575</b>			-

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Chief Author: **Rick Hansen**  
 Committee: **Environment and Natural Resources Finance And Policy**  
 Date Completed: **1/19/2023 8:53:42 AM**  
 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	-	(1,575)	-	-	-	-
<b>Total</b>	-	<b>(1,575)</b>	-	-	-	-
<b>Biennial Total</b>			<b>(1,575)</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:** Chloe Burns      **Date:** 1/18/2023 1:54:31 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	-	(1,575)	-	-	-	-
<b>Total</b>	-	(1,575)	-	-	-	-
<b>Biennial Total</b>			(1,575)			-
<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	-	1,575	-	-	-	-
<b>Total</b>	-	1,575	-	-	-	-
<b>Biennial Total</b>			1,575			-

**Bill Description**

This is the DNR's Lands Bill.

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 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. 5. 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. 6. 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 non use, may convey certain conservation easements on tax-forfeit lands.

\*Note: The amendment A1 to the bill added new Sec. 7 and renumbered the remaining provisions.

Sec. 7 (added via A1 amendment). 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. 8 (before amendment A1, section 7). Adds 11.50 acres to the boundary of Myre-Big Island State Park, Freeborn County.

Sec. 9 (before amendment A1, section 8). 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. 10 (before amendment A1, section 9). Adds 121.5 acres to Riverlands State Forest, St. Louis County.

Sec. 11 (before amendment A1, section 10). Authorizes the private sale of approximately .15 acres of certain tax-forfeit lands in Beltrami County.

Sec. 12 (before amendment A1, section 11). Authorizes the public sale of 29.6 acres of surplus riparian state land in Cass County.

Sec. 13 (before amendment A1, section 12). Authorizes the private sale of .17 acres of surplus state land in Crow Wing County.

Sec. 14 (before amendment A1, section 13). Authorizes the public sale of 9.53 acres of surplus riparian state land in Fillmore County.

Sec. 15 (before amendment A1, section 14). Authorizes Goodhue County to sell certain tax-forfeit lands by private sale to a local unit of government for no consideration.

Sec. 16 (before amendment A1, section 15). 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. 17 (before amendment A1, section 16). Authorizes the public sale of 59.0 acres of surplus riparian state land in Itasca County.

Sec. 18 (before amendment A1, section 17). Authorizes the private sale of 2.0 acres of surplus state land in Pine County.

Sec. 19 (before amendment A1, section 18). Authorizes St. Louis County to exchange lands within 20 government sections within the county.

Sec. 20 (before amendment A1, section 19). 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. 21 (before amendment A1, section 20). Authorizes St. Louis County to sell one parcel and part of another parcel of certain tax-forfeit lands by private sale.

Sec. 22 (before amendment A1, section 21). Authorizes the private sale of .05 acres of surplus riparian state land in Sherburne County for less than market value.

Sec. 23 (before amendment A1, section 22). Authorizes the Adjutant General to exchange certain land owned by the Minnesota National Guard with land owned by the City of Rosemount. This section was proposed by the Minnesota National Guard.

Note original section 23 was removed via amendment A1.

### **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 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 Crow Wing, Hennepin, Pine and Sherburne Counties to be completed in FY24. 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, Cass County Public Land Sale*	\$186,600*
Sec. 13, Crow Wing County Private Land Sale	\$2,000
Sec. 14, Fillmore County Public Land Sale*	\$38,500*
Sec. 16, Hennepin County Private Land Sale	\$0
Sec. 17, Itasca County Public Land Sale*	\$1,343,900*
Sec. 18, Pine County Private Land Sale	\$3,000
Sec. 22, Sherburne County Private Land Sale	\$1,000
Total	\$1,575,000

\* Estimated values of the Cass, Fillmore and Itasca 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.

**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 11 (before amendment A1, section 10) 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 15 (before amendment A1, section 14) 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 21 (before amendment A1, section 20) 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 5, 6, 7, 19, and 20 (before amendment A1, sections 5, 6, N/A, 18, and 19, respectively) may have some local fiscal impact but the impact is unknown.

**References/Sources**

None.

**Agency Contact:** Lorie Klein 651-259-5405

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**HF50 - 1E - Conveying State Land Interests Modified**

Chief Author: **Rick Hansen**  
 Committee: **Environment and Natural Resources Finance And Policy**  
 Date Completed: **1/19/2023 8:53:42 AM**  
 Agency: **Attorney General**

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

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
<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.

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**State Cost (Savings) Calculation Details**

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Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

HF 50-1E provides for the sale of certain DNR surplus and tax-forfeited property. The AGO is required to approve the form of the conveyances of tax-forfeited property. HF 50-1E also authorizes two land exchanges with the approval of the Land Exchange Board.

**Assumptions**

The AGO currently provides review of the transactions provided for in HF 50-1E. 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**

**Long-Term Fiscal Considerations**

**Local Fiscal Impact**

**References/Sources**

**Agency Contact:**

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**HF50 - 1E - Conveying State Land Interests Modified**

Chief Author: **Rick Hansen**  
 Committee: **Environment and Natural Resources Finance And Policy**  
 Date Completed: **1/19/2023 8:53:42 AM**  
 Agency: **Military Affairs Dept**

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

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
<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:** Chloe Burns      **Date:** 1/11/2023 4:30:49 PM  
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**State Cost (Savings) Calculation Details**

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Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
	<b>Total</b>	-	-	-	-	-
	<b>Biennial Total</b>			-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
	<b>Total</b>	-	-	-	-	-
	<b>Biennial Total</b>			-		-
<b>2 - Revenues, Transfers In*</b>						
	<b>Total</b>	-	-	-	-	-
	<b>Biennial Total</b>			-		-

**Bill Description**

The proposed bill authorizes the Adjutant General of the Minnesota National Guard to exchange the land within the City of Rosemount adjacent to a Minnesota National Guard Field Maintenance Shop (FMS) for an equal amount of land owned by the City of Rosemount.

**Assumptions**

No fiscal impact; exchange for an equal amount of land owned by the City of Rosemount.

**Expenditure and/or Revenue Formula**

No fiscal impact.

**Long-Term Fiscal Considerations**

N/A

**Local Fiscal Impact**

N/A

**References/Sources**

Minnesota Statutes sections 94.3495 and 193.36.

**Agency Contact:**

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