



# State-Owned Lands

And the Distribution of Revenue from the Lands  
Managed by the DNR

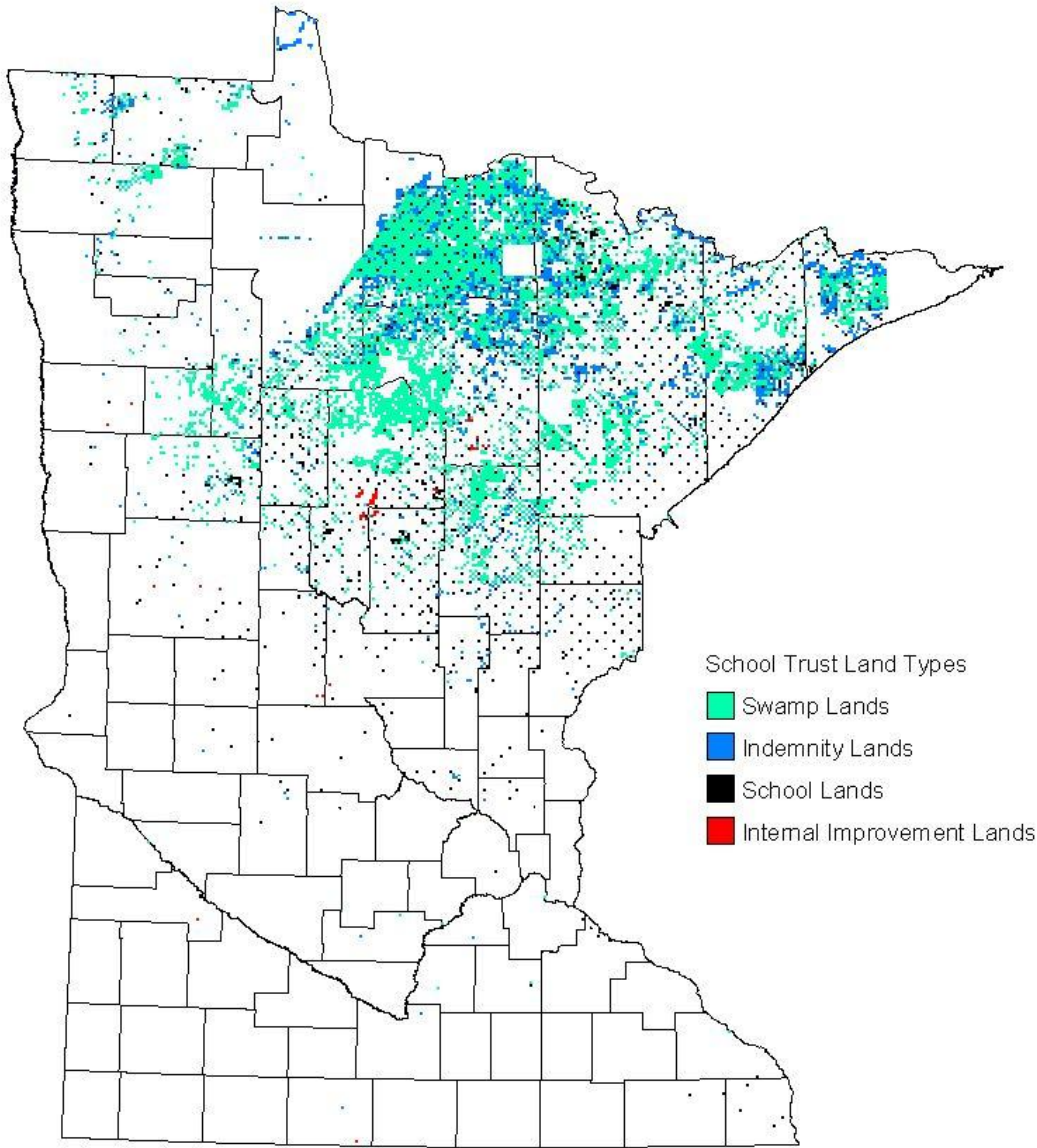


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# School Trust Lands



# School and Indemnity School Lands

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Enabling Act of 1857: Sections 16 and 36 of every township dedicated for “use of schools”.

If the land was not available, alternative (indemnity) lands were selected.

Totaled 2.9 million acres.

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# Swamp Lands

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1860: congressional grant of 4.7 million acres of swamp and overflow waters.

Minnesota identified lands by plat and field notes of government surveys.

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# Internal Improvement Lands

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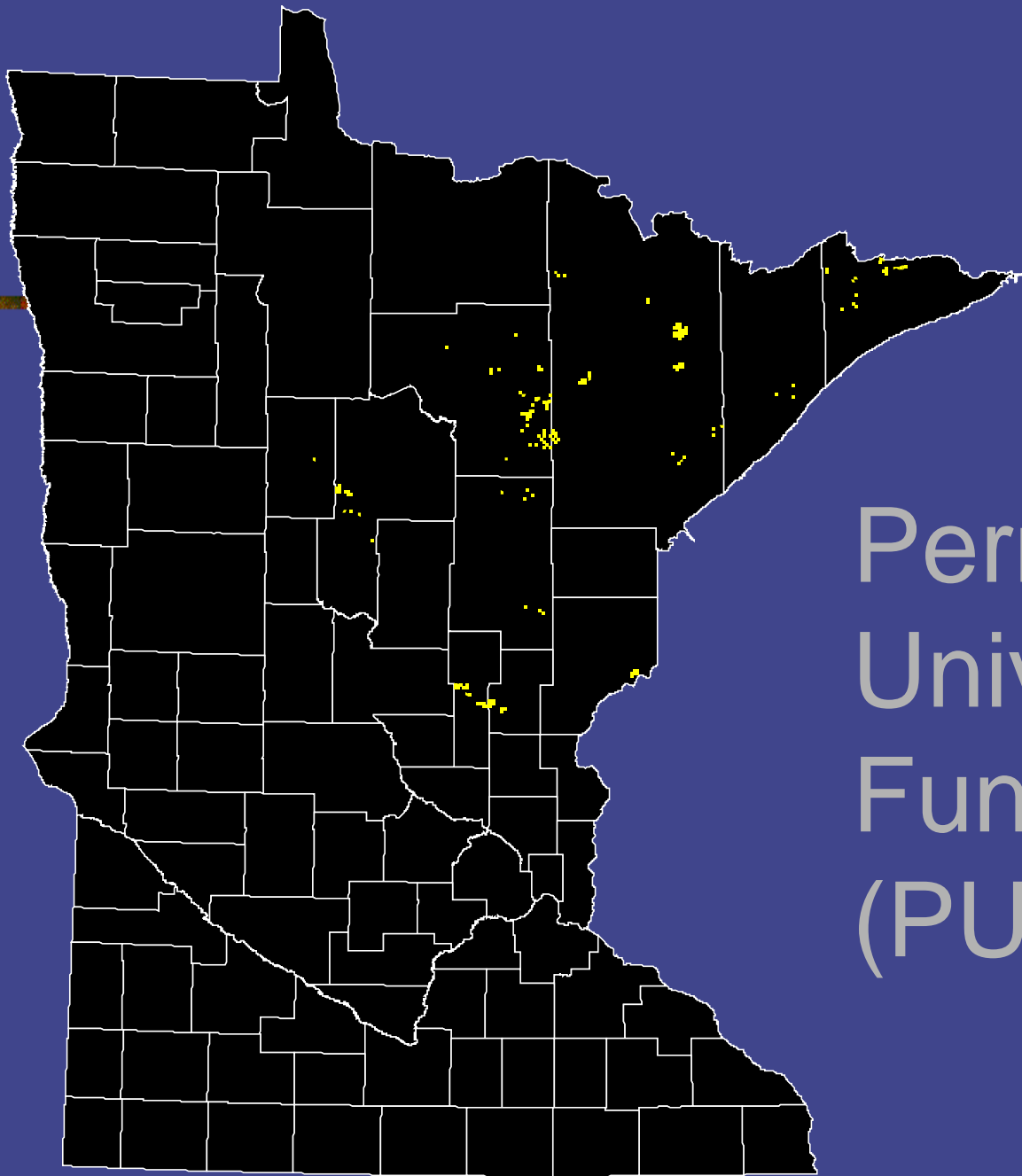
1866: additional 0.5 million acres  
granted for internal improvements

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# Distribution of School Trust Land by Type of Grant

<b>Type of Grant</b>	<b>Original Acres Granted</b>	<b>Acres Owned in 2012</b>
<b>School</b>	2,900,000	968,053
<b>Swampland</b>	4,706,503	1,546,453
<b>Internal Improvement</b>	500,000	6,509
<b>TOTAL</b>	8,106,503	2,521,015*

\*In addition, there are 1,015,662 acres of severed mineral rights.



Permanent  
University  
Fund Lands  
(PUF)

# Permanent University Fund Lands

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1851: Congress reserved 72 sections of land from sale for the support of a university in the Minnesota Territory.

Enabling Act of 1857: Congress provided for 72 sections of land for “use and support of a state university”

1870: Minnesota argued successfully that the 1857 land grant was in addition to the land grant Congress made in 1851.

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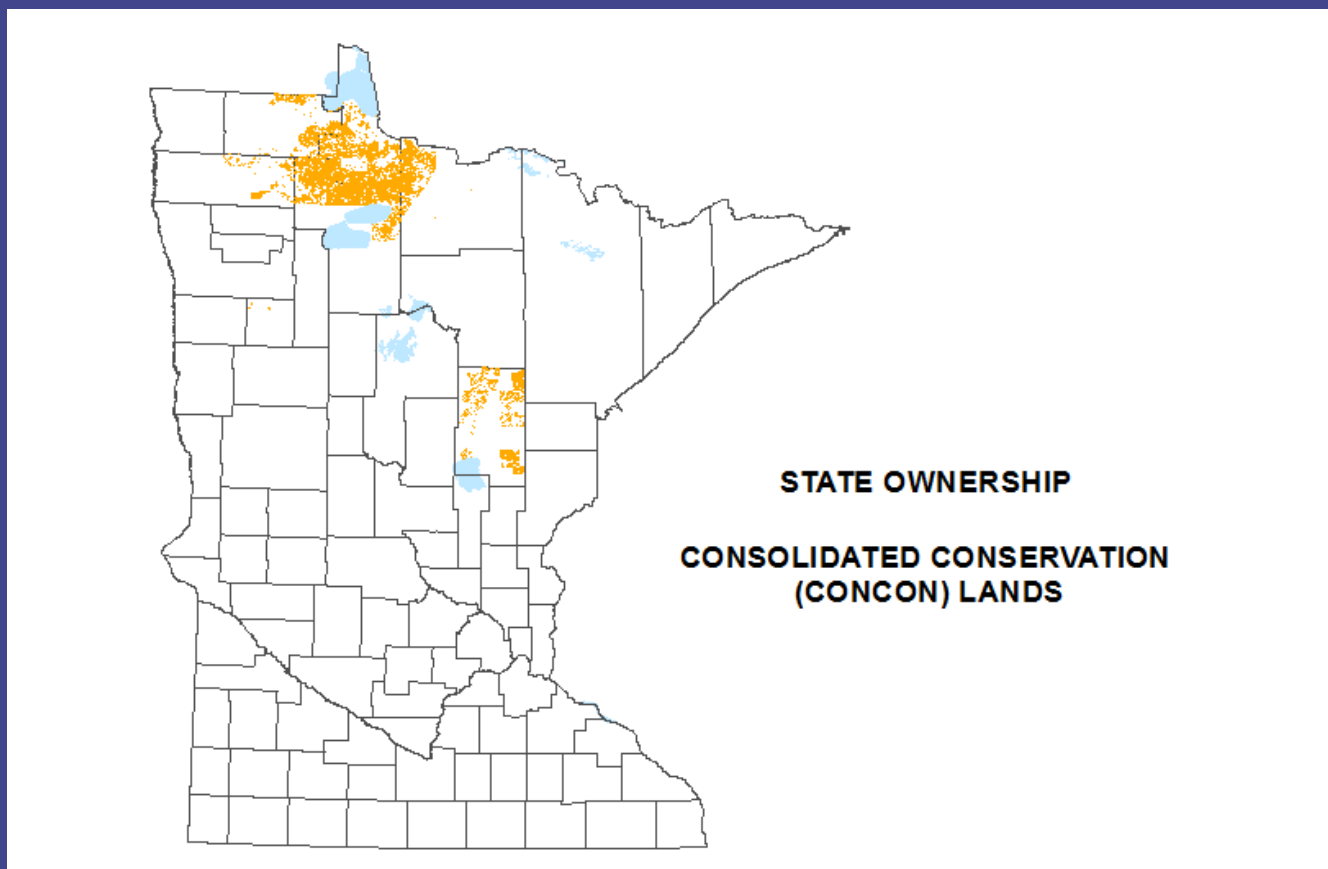
# Permanent University Fund Lands

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Today: Permanent University Fund  
Lands total 25,845 acres,  
with an additional 21,368 acres  
in reserved mineral rights

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# Consolidated Conservation Area Lands

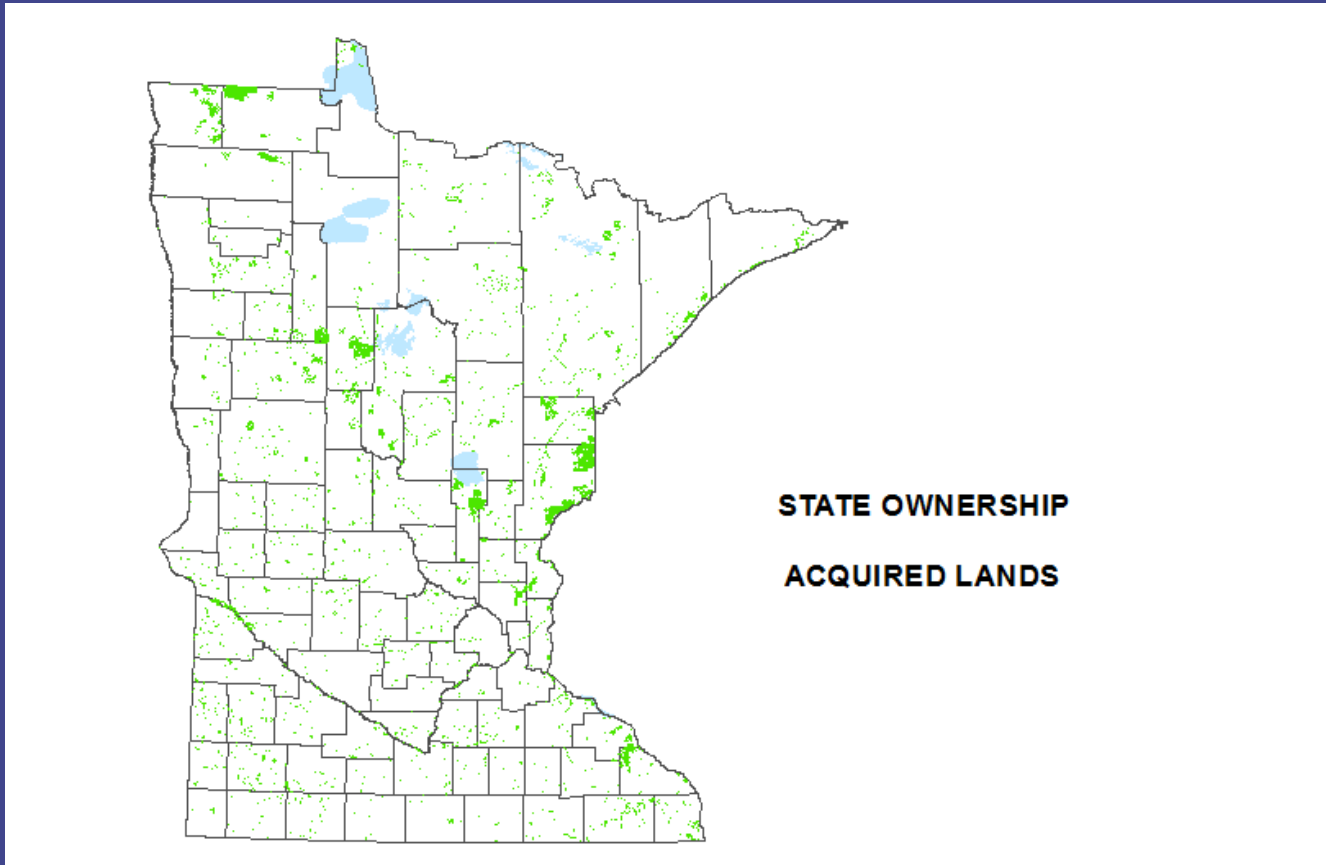


# Consolidated Conservation Area Lands

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- Consolidated conservation lands are lands that forfeited for non-payment of taxes in identified areas in seven counties (Aitkin, Beltrami, Koochiching, Lake of the Woods, Roseau, Mahnomen and Marshall counties).
  - In return for relieving counties of bond debts for drainage ditches, state took title to lands.
  - Currently, there are about 1,552,220 acres of concon lands, with another 372,642 acres of severed mineral rights.
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# “Acquired Lands”

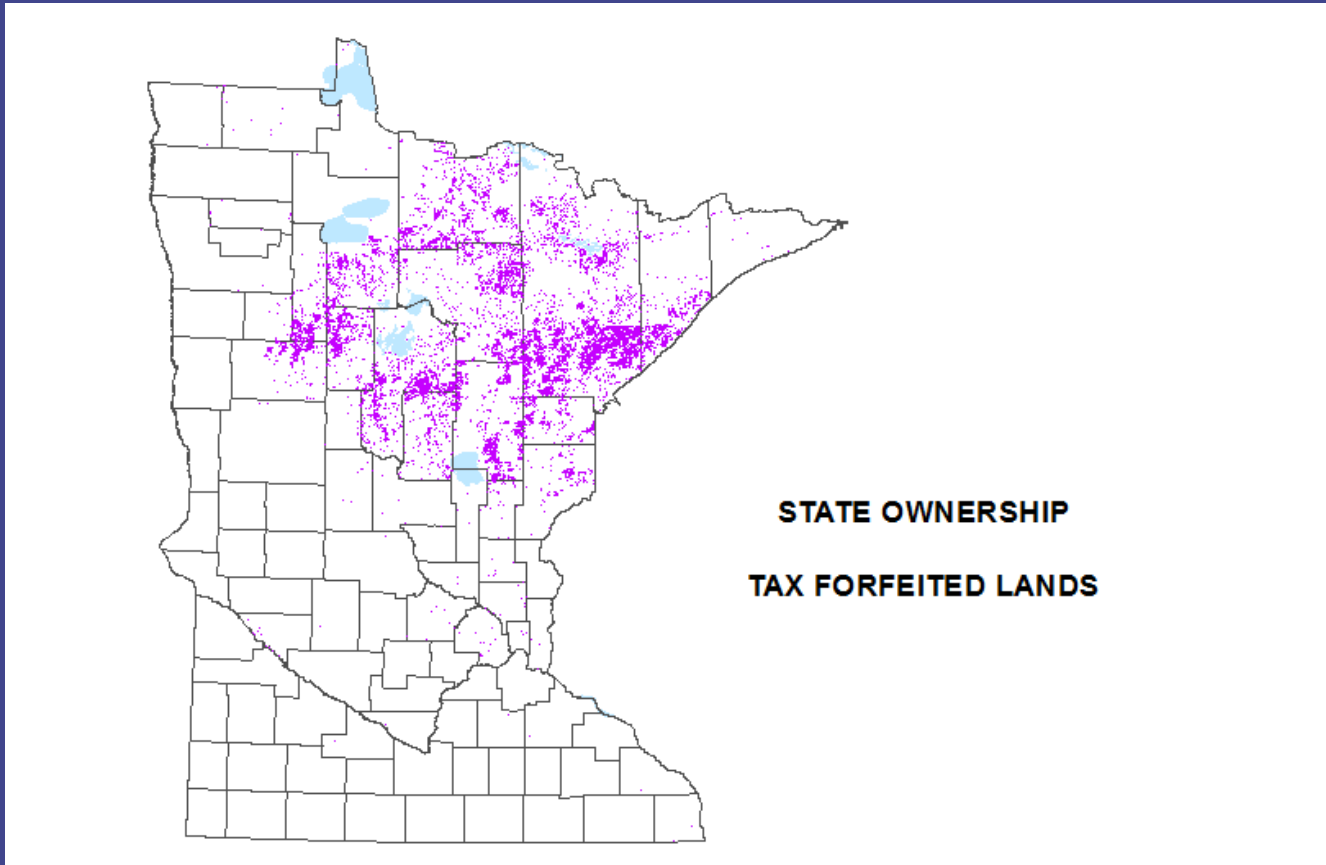


# “Acquired” Lands

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- State has acquired lands by purchase, gift and eminent domain for purposes of forests, state parks, state trails, water access sites, and other conservation purposes.
  - Acquired lands total 1,579,919 acres.
  - State has also acquired conservation easements. DNR holds over 974 conservation easements covering 356,000 acres.
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# Tax forfeited lands



# Tax forfeited lands

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- Failure to pay general real property taxes results in forfeiture of ownership of property to state.
  - Title to lands are held by State in trust for taxing districts.
  - Counties manage surface, with some approvals required by DNR and some restrictions in law.
  - DNR manages mineral rights.
  - There are about 2.85 million acres of tax forfeited lands, with additional 2+ million of severed mineral rights.
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# Tax forfeited lands conveyed to DNR

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- Counties could convey tax forfeited lands to DNR for forest purposes or conservation purposes.
  - Lands held by State free from the trust in favor of the taxing districts.
  - Lands conveyed for forest purposes were known as 50/50 lands.
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# Other state-owned lands

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- State owns beds of navigable bodies of water. Determination of navigability is as of time of statehood.
  - Land Utilization Project Lands: arises from 1933 law of submarginal agricultural lands. State purchased some land from U.S., and has 83,425 acres under long term lease.
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# Other state-owned lands

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Other state agencies manage state-owned land:

Department of Military Affairs manages Camp Ripley;

Department of Transportation manages land for roads and bridges;

Small portion of land used for state buildings, including state capitol;

Minnesota Zoo; and

State university system.

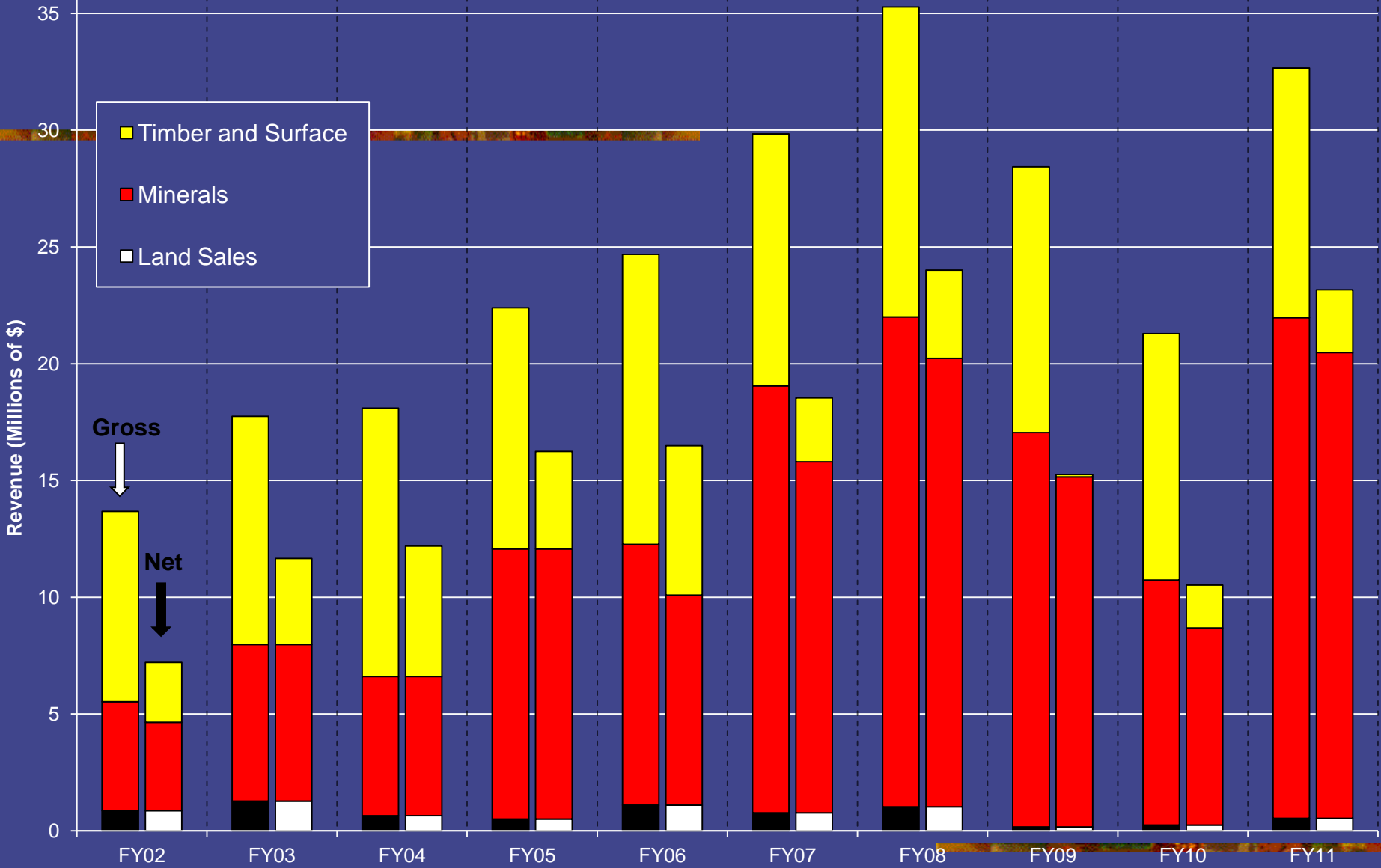
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# Revenue



# Overall Gross and Net Revenue School trust lands, FY 02-11



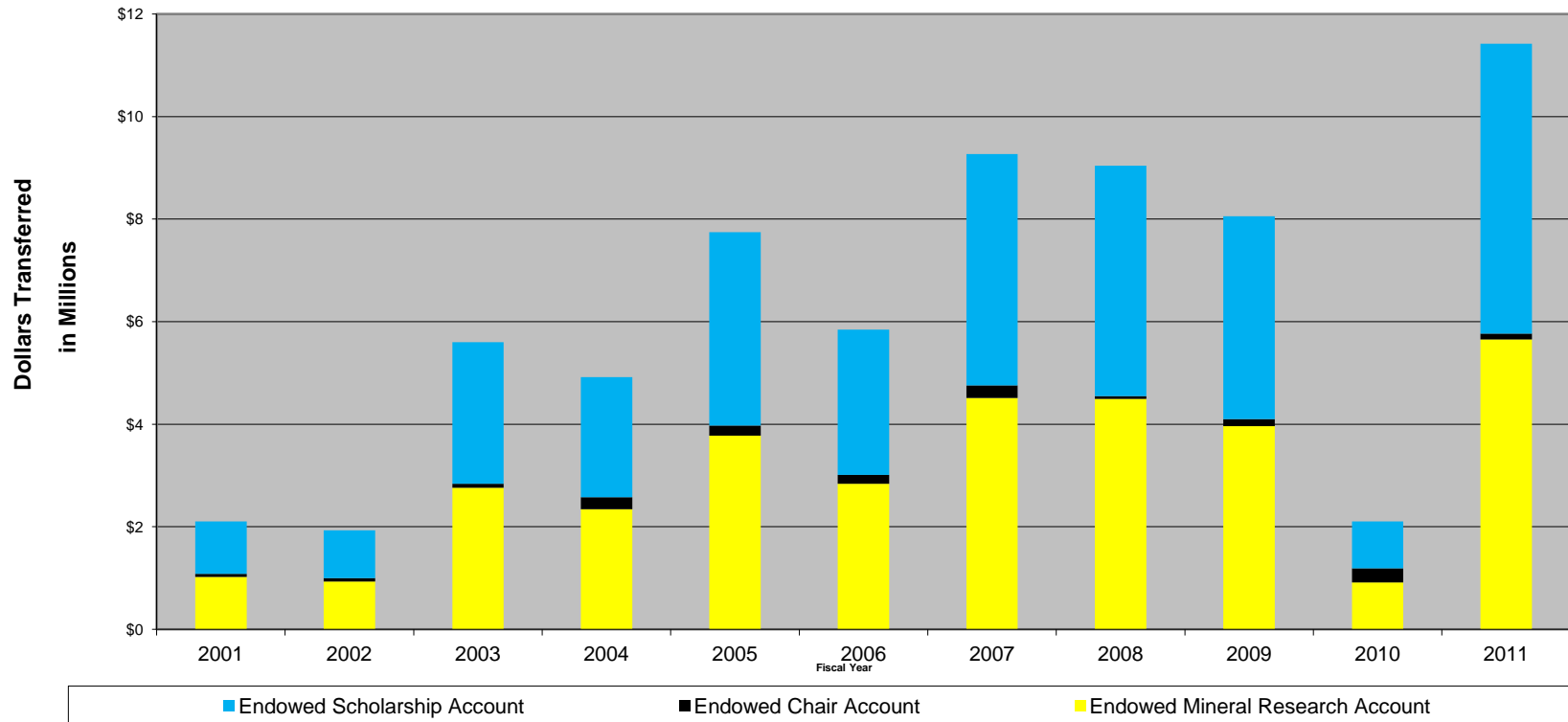
# School Trust Lands: Distribution of Revenue

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- Principal is perpetual and inviolate.
  - Board of Investment manages investment of PSF.
  - Interest and dividends from investment distributed to public schools throughout the state.
  - PSF income deduction from general education aid was repealed as to revenue for FY2010 and later.
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# Permanent University Fund Revenue

Amounts transferred from DNR's Permanent University Account to the Permanent University Fund



# Distribution of PUF Revenue

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- Revenue is deposited into three accounts of the PUF: Endowed chair account, endowed mineral research account and endowed scholarship account.
  - Principal of PUF is perpetual and inviolate.
  - Board of Regents manages investment of PUF.
  - Interest and dividends distributed each year from each account.
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# Consolidated Conservation Area Lands

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- Lands are managed by DNR for timber, minerals, and real estate.
  - Counties can sell lands classified as agriculture, with approval of DNR. Most of these lands have been sold.
  - Revenue from DNR activities are split 50% to county and 50% to state.
  - FY11 revenue to counties totaled \$2.714 million.
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# “Acquired” Lands

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- Most of the acquired lands are managed for conservation purposes and limited income is produced.
  - For example, fees for state parks are deposited in special fund and available for appropriation to DNR to operate and maintain park system.
  - Forest lands generate income, with income from timber sales to FMIA, and remainder of income to general fund.
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# Tax Forfeited Lands

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- Revenue generated by county is distributed within county in accordance with state law.
  - Revenue from state mineral leases on tax forfeited land is split 20% to minerals management account and 80% to counties. County split is 4/9 school district, 3/9 county, and 2/9 city or town.
  - FY11 mineral lease revenue to counties totaled \$696,000.
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## Other state-owned lands managed by DNR

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- Revenue from water crossing utility licenses on beds of public waters goes to Permanent School Fund.
  - Revenue from tax forfeited lands conveyed to DNR for forest or conservation purposes goes to FMIA or general fund.
  - Revenue from Volstead Lands is split 50% to counties and 50% to general fund.
  - Revenue from LUP owned lands is distributed to general fund.
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# Questions?

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