
Natural Resources Fund

Fiscal Year 2018 Annual Report

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Introduction

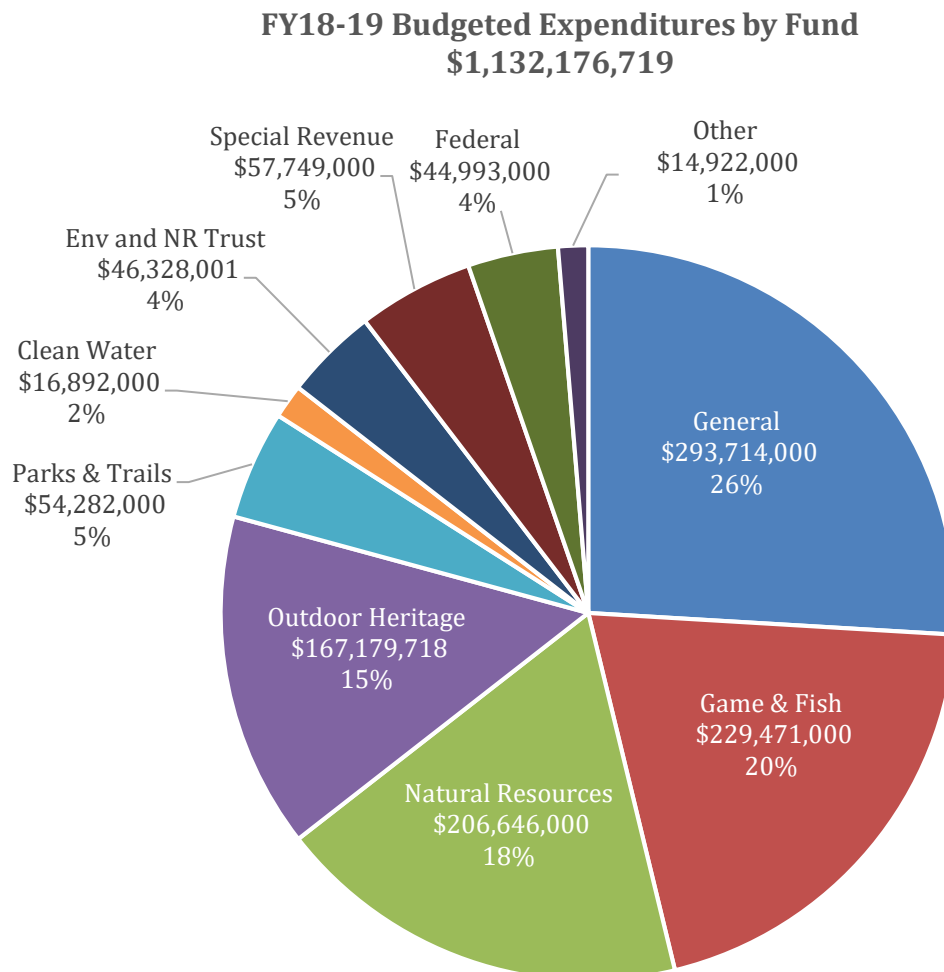
This report outlines general information about the Natural Resource Fund including its history, funding structure, and overview of revenues and expenditures. It concludes with detailed information about each of the accounts including brief overviews, sources and uses of the funds, account forecast analysis, FY2018 accomplishments, and links to additional resources.

Creation and Purpose of the Fund

The Legislature created the Natural Resources Fund (NR) in the state treasury in 1989 as a Special Revenue Fund for deposit of certain receipts from fees and services associated with natural resource management by the state. (M.S. 16A.53, subd. 2) Special Revenue Funds are dedicated to a variety of purposes specified in the legislation. The Department of Natural Resources (DNR) is the primary user of the fund. In general, fees collected for certain activities are used for operations of our programs, maintenance and development of our statewide natural resources and recreations systems. Revenues also support the enforcement of the state's natural resource laws related to the activities funded through the NR fund.

Natural Resources Fund within the DNR's Funding Structure

For FY2018-2019, the Natural Resources Fund comprised 18 percent (\$206.6 million) of the total DNR budgeted expenditures.



Accounts in the Natural Resources Fund

The Natural Resources Fund is made up of accounts dedicated for a specific purpose. These accounts are broken down separately in this report and also briefly described on the next two pages along with other activities or programs that are supported by multiple accounts within the fund (Electronic Licensing System and Conservation Corps Minnesota):

Sources and Uses of the Natural Resources Fund Accounts

Account Name	Sources and Uses of the Account Funding
All-Terrain Vehicle Account (ATV)	<ul style="list-style-type: none"> Revenues include fees from registration of all-terrain vehicles, non-resident state trail passes, unrefunded gasoline taxes, and ATV safety training fees. Funds pay for acquisition, maintenance, and development of ATV trails and enforcement activities. (M.S. 84.927).
Off-Highway Motorcycle Account (OHM)	<ul style="list-style-type: none"> Revenues include fees for registration of off-highway motorcycles and unrefunded gasoline tax attributable to off-highway motorcycle use. Funds pay for administration, enforcement, and acquisition, maintenance and development of off-highway motorcycle trails. (M.S. 84.794).
Off-Road Vehicle Account (ORV)	<ul style="list-style-type: none"> Revenues include fees for the registration of off-road vehicles, non-resident state trail passes and the unrefunded gasoline tax attributable to off-road vehicles use. Funds pay for administration, enforcement, and acquisition, maintenance and development of off-road vehicle trails. (M.S. 84.803).
Cross-Country Ski Account	<ul style="list-style-type: none"> Revenues include fees from cross-country ski passes. Funds pay for grants-in-aid for cross-country ski trails sponsored by local units of government and special park districts. (M.S. 85.43)
Forest Management Investment Account (FMIA)	<ul style="list-style-type: none"> Revenues include timber sales from consolidated conservation area lands and state forest lands. Funds pay for reforestation and timber stand improvement including forest pest management, timber sales administration and costs, and state forest road maintenance. (M.S. 89.039, 89.035)
Invasive Species Account	<ul style="list-style-type: none"> Revenues include surcharges on watercraft licenses, non-resident fishing licenses, and civil penalties for violations, and service provider permits. Funds pay for management of invasive species programs including control, public awareness, law enforcement, assessment, monitoring, management planning, and research. (M.S. 84D.15)
Land Acquisition Account	<ul style="list-style-type: none"> Revenues include easements on DNR lands, sale of land, sale of standing timber, leases on wild rice farming and interest. Account is used for the acquisition of natural resource lands within the outdoor recreation system. (M.S. 94.165)
Lottery in Lieu (Local Trails Grants Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for local trail grants. (M.S. 297A.65, 297A.94 (e)(4))
Lottery in Lieu (Metro Parks and Trails Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for metropolitan park and trail grants. (M.S. 297A.65, 297A.94(e)(3))
Lottery in Lieu (State Parks and Trails Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for state parks and trails. (M. S. 297A.65, 297A.94 (e) (2))
Lottery in Lieu (Zoos Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used by the Minnesota Zoological Garden, Como Zoo and Conservatory, and Duluth Zoo. (M.S. 297A.65, 297A.94 (e) (5))

Account Name	Sources and Uses of the Account Funding
Minerals Management Account	<ul style="list-style-type: none"> Revenues include mineral lease income related to management of the state's mineral assets. Funds are spent for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities. (M.S. 93.2236, 93.22)
Mining Administration Account	<ul style="list-style-type: none"> Revenues consist of mining administrative fees charged to owners, operators, or managers of mines. Funds pay for costs of providing and monitoring permits to mine. (M.S. 93.481, subd 7)
Natural Resources Misc. Statutory Account (Dedicated Receipts Account)	<ul style="list-style-type: none"> Account includes various dedicated revenues within the Natural Resource Fund for which the appropriations are statutory – burning permits account, forest bough account, forest resource assessment products and services account, and land management account. Sources and uses of the funds are specified in the individual statutes for the component accounts. (M.S. 88.17, 88.6435, 89.421, 92.685, 103G.301)
Nongame Wildlife Management Account	<ul style="list-style-type: none"> Revenues are from the check-off on income tax and property tax refund claim forms. Funds pay for non-game wildlife programs. (M. S. 290.431)
Snowmobile Trails and Enforcement Account	<ul style="list-style-type: none"> Revenues include fees for registration of snowmobiles, issuance of snowmobile state trail stickers, unrefunded gasoline tax, and training fees. Funds pay for snowmobile programs and acquisition, maintenance and development of trails, training, and enforcement. (M. S. 84.83)
State Land and Water Conservation (LAWCON) Account	<ul style="list-style-type: none"> Federal grant reimbursement funds that are received under the Land and Water Conservation Fund Act. Half is distributed for projects of local units of government and half is distributed to the state for land acquisition and development of the state outdoor recreation system and for administrative expenses necessary to maintain the state's eligibility for the program. (M. S. 84.0264)
State Parks Account	<ul style="list-style-type: none"> Revenues include fees for camping, state park permits, and facility rentals. Funds pay for operation and maintenance of the state park system. (M. S. 85.055)
Water Recreation Account	<ul style="list-style-type: none"> Revenues include fees for titling and licensing watercraft, mooring, and sale of marine gas at state-operated small craft harbors and mooring facilities, unrefunded gasoline tax attributable to boating, fees for permits to control or harvest aquatic plants. Funds pay for water recreation programs such as acquisition, development and maintenance of public water access and boating facilities on public waters, lake and river improvements; maintenance, operation, replacement, and expansion of small craft harbors and mooring facilities, water safety programs, management of aquatic invasive species and aquatic plants. (M.S. 86B.706)
Water Management Account	<ul style="list-style-type: none"> Revenues include fees from permit application fees, water use fees, field inspection fees, penalties, and other receipts according to sections 103G.271 and 103G.301. Funds in the water management account may be spent only for the costs associated with administering (M.S. 103G.27).

Electronic Licensing System (ELS)

The DNR Division of Fish & Wildlife maintains the Electronic Licensing System (ELS). Issuing fees charged on the sales of licenses, permits, and registrations are used to support licensing activities and maintain the system.

The money collected is deposited in the Natural Resource Miscellaneous Statutory Account. The total ELS expenditures for FY2018 from the Natural Resources Fund account were \$895,530 and the total revenues were \$926,012.

Conservation Corps Minnesota

The DNR has worked with Conservation Corps Minnesota (formerly Minnesota Conservation Corps) for over 25 years to preserve and improve the natural resources of the State of Minnesota. This organization, which began in 1981, restores natural resources, conserves energy, responds to emergencies, and offers programs for youth and young adults.

In FY2018, Conservation Corps Minnesota received \$490,000 in funds from various Natural Resources Fund accounts to support the following DNR activities and engaged 577 youth and young adults in natural resource and energy conservation projects across Minnesota by:

- Water Recreation Account, \$50,000 - 1,723 hours developing and maintaining public access and boating facilities on public waters, lake and river improvements, watercraft safety, and exotic species inspections and control;
- ATV Account, \$50,000 – 1,353 hours developing, constructing and maintaining state trail, education and technical skills training;
- State Parks Account, \$150,000 – 6,942 hours developing water access sites within state parks, exotic and invasive species management, and non-motorized trail improvement and maintenance;
- Snowmobile Account, \$75,000 – 2,004 hours designing, constructing, maintaining, training and grooming state trails
- State Park/Trails Lottery In Lieu Account, \$25,000 – 1,499 hours maintaining and operating state parks and trails.
- Aquatic Invasive Species Account, \$25,000 – 915 hours for the management of invasive species
- FMIA Account, \$50,000 – 2,106 hours in forest management activities
- OHM Account, \$10,000 - 380 hours spent on acquisition, maintenance and development of off highway motorcycle trails and use areas.
- ORV Account, \$30,000 - 180 hours spent on acquisition, maintenance and development of off-road vehicle trails and use areas.
- Cross Country Ski Account, \$15,000 – 786 hours spent on development and maintenance of state cross-country ski trails.
- Parks and Trails Horse Trails (Natural Resources Misc. Statutory Account), \$10,000 – 578 hours spent on acquisition, maintenance and development of horse trails and use areas.

Unrefunded Gas Tax Revenue

With the broader goal that the unrefunded gasoline proceeds should support programs related to non-highway gasoline use, the DNR receives a portion of the unrefunded gasoline tax. Since 1961, these proceeds have supported the state's recreational motorized vehicle activities.

The Minnesota Department of Transportation (MnDOT) transfers to the DNR, twice annually, the estimated portion of the unrefunded gasoline tax that was used by boaters, snowmobiles, and all-terrain vehicles. The amounts are transferred to several accounts in the Natural Resources Fund based on a formula written in statute (296A.18). As the table shows, approximately 2.980 percent of unrefunded gasoline tax revenues – the portion attributed to use by boaters, snowmobile, and ATVs – are transferred into natural resources accounts and are appropriated annually for the purposes described in law.

Distribution of Unrefunded Gas Tax Revenues

Account	Portion of unrefunded gasoline tax transferred to the account	To be used for
Water Recreation	1.50%	Acquisition, development, maintenance, and rehabilitation of sites for public access and boating facilities on public waters; lake and river improvement; and boat and water safety
Snowmobile	1.00%	To fund snowmobile programs and the maintenance and development of snowmobile trails
All-Terrain Vehicle	0.27%	Maintenance and development of ATV trails
Off-Highway Motorcycle	0.046%	Maintenance and development of OHM trails
Off-Road Vehicle	0.164%	Maintenance and development of ORV trails
Total of Unrefunded Gas Tax Revenues	2.980%	

Police State Aid Revenue

The DNR receives police state aid to apply to the employer’s contribution to law enforcement (conservation officers) pensions. Tax receipts from a surcharge on auto insurance gross premiums determine the amount of the aid.

In FY2018, the Natural Resource Fund received \$340,938. This amount was apportioned to the Water Recreation, Snowmobile, All-Terrain Vehicle, Off-Highway Motorcycle, Off-Road Vehicle and State Park accounts based on the amount of Conservation Officers’ salaries paid from each account.

Interest Earnings (M.S. 16A.72)

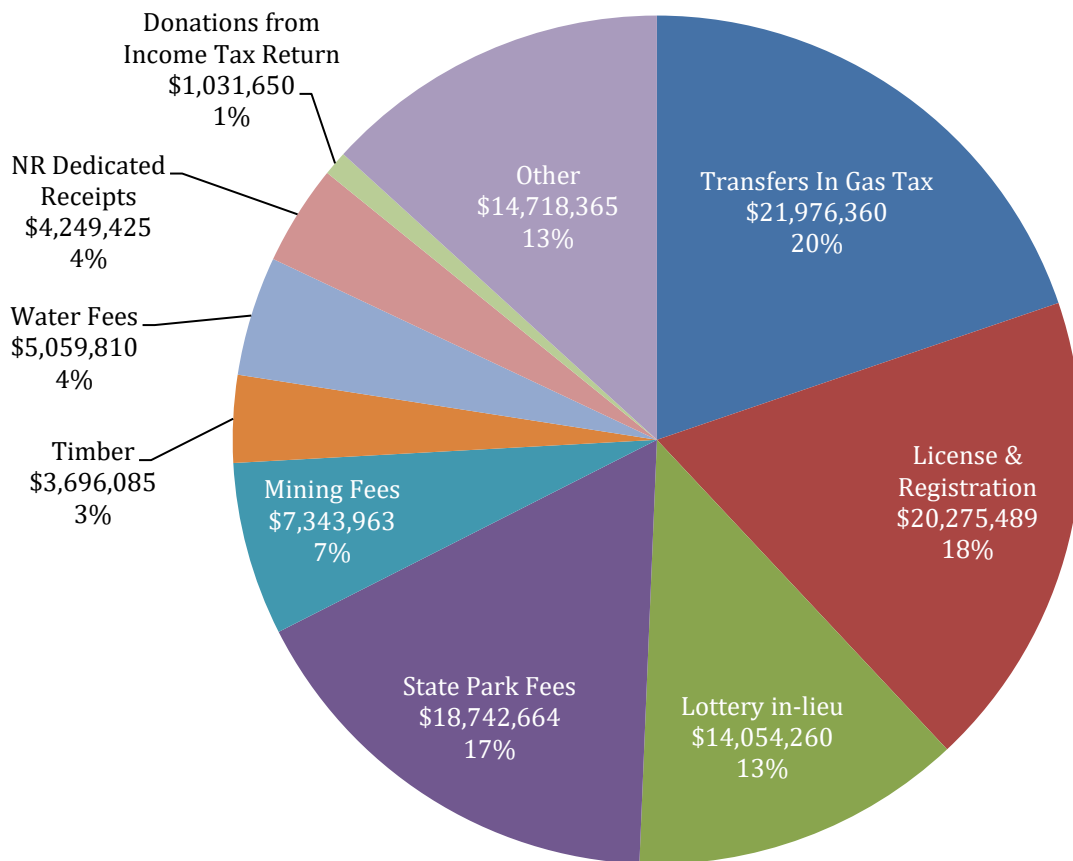
Minnesota statutes allow interest earnings to be earned on balances in several DNR funds and accounts. Interest is credited to the fund or account and available for appropriation for the purpose for which it was received. The Natural Resources Fund earns interest on donations, gifts, snowmobile receipts, and receipts deposited in the minerals management account, mining administration account, and forest management investment account. The interest earned for 2018 was \$287,472.

Revenues for Fiscal Year 2018

In FY2018, the DNR collected \$111,148,072 in total revenue.

The largest sources of revenues are gas and lottery taxes, licenses and registrations, state park fees, mining fees, and water fees. Unrefunded gasoline tax revenues attributable to certain types of vehicles used in recreation activities comprise the largest amount of Other Receipts (transfers in). For details, see individual funds.

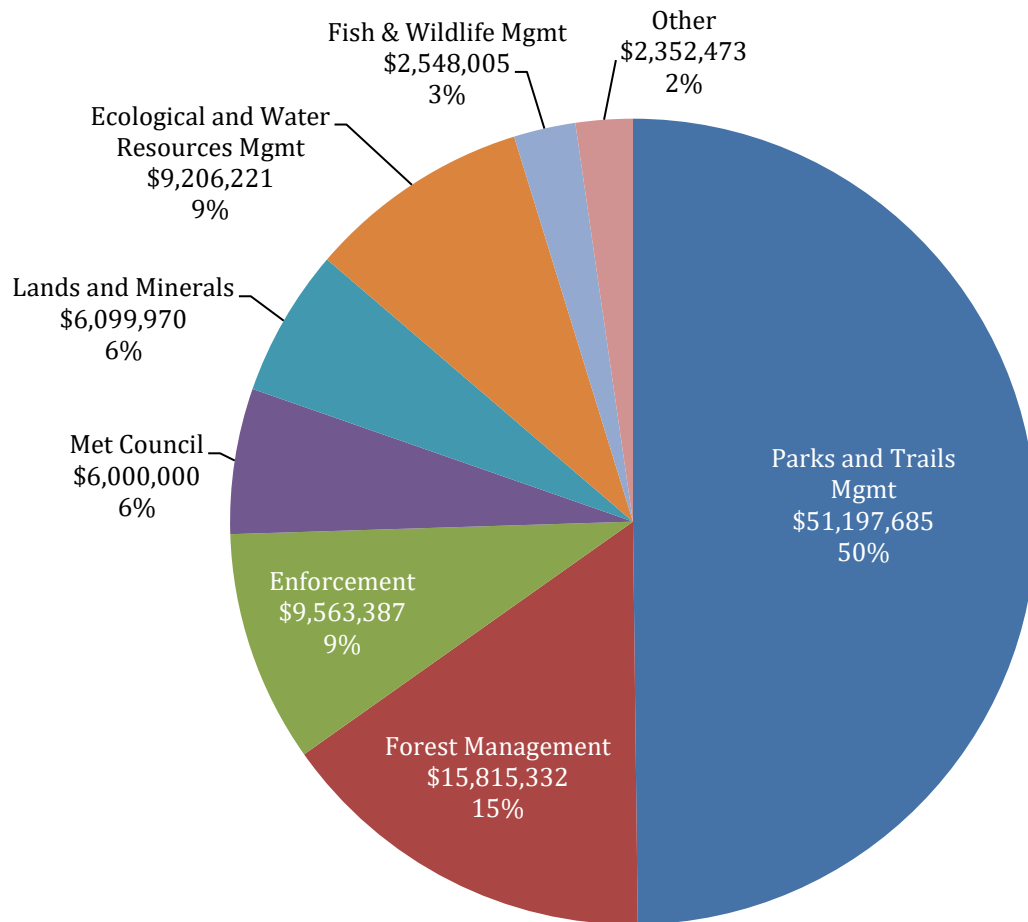
FY2018 Sources \$111,148,072



Expenditures for Fiscal Year 2018

In FY2018, the DNR spent \$102,783,072 in total expenditures and transfers out. The Division of Parks and Trails spent the majority of these funds.

FY 2018 Uses \$102,783,072



Contacts

For additional information about the Natural Resources Fund, contact the DNR:

[Email the DNR](#)

Telephone:

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Location:

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St. Paul, MN 55155-4040

All-Terrain Vehicle Account (ATV)

Brief Overview

- Governing statutes: M.S. 84.773 to 84.781
- Year established: 1984
- Registered all-terrain vehicles in MN: 300,000
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

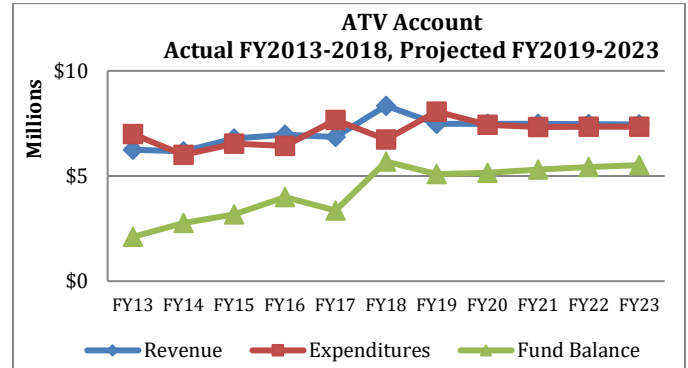
Fees from the registration of all-terrain vehicles and non-resident state trails passes, the unrefunded gasoline tax attributable to ATV use, and the net proceeds from the sale of ATVs forfeited for certain violations of statutes under M.S.84.927 and M.S. 169A.63 are the main sources of funding in the ATV account. Funds in the ATV Account may be used, within guidelines of the Statewide Comprehensive Outdoor Recreation Plan, only for:

- Acquisition, maintenance, and development of trails and use areas;
- Administration, enforcement, and implementation of applicable statutes;
- Grant-in-aid programs to counties and municipalities to construct and maintain ATV trails and use areas, and Grants to local safety programs;
- Education and training program;
- Enforcement and public education grants to local law enforcement agencies; and
- Maintenance of certain forest roads that are part of a designated trail system.

FY18 Financial Summary	
Beginning fund balance	\$3,364,517
Prior year adjustments	\$721,464
Revenues	
ATV Registration	\$6,178,223
Misc Receipts	80,168
Unrefunded gasoline tax & police state aid	<u>2,082,307</u>
Total Revenues	\$8,340,698
Expenditures	
Parks and Trails Mgmt	\$3,738,211
Enforcement	2,851,302
Fish and Wildlife	99,192
Conservations Corps Minnesota	<u>50,000</u>
Total Expenditures	\$6,738,705
Ending fund balance	<u>\$5,687,974</u>
Net change	\$2,323,457

Forecast

ATV registrations account for 74 percent of the revenues. Unrefunded gasoline taxes was 24 percent of the revenues. The fund balance grows slightly due to revenues projected to be greater than expenditures.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2018 Accomplishments

- The Division of Enforcement provided approximately 17,290 hours of enforcement, education and safety training activities.
- The Safety Training Section recruited and trained additional volunteers for the ATV Safety and Trail Ambassador programs, bringing the total number of ATV Instructors to 906 and Trail Ambassadors at 181. The ATV Safety training program certified 4,568 students. There were 173 new ATV Instructors in FY 18.
- The Division of Parks and Trails developed, monitored and maintained approximately 1,212 miles of ATV/OHM trails in state forests, other state trails and the Iron Range OHV State Recreation Area.
- The DNR completed trail improvements on forest trails in Aitkin, Cass, Cook, Pine, and Lake Counties.
- Grants-in-aid were awarded to 72 trail projects through 35 local government sponsors. These grants support local clubs for maintenance, development, and acquisition of approximately 1,000 miles of public, locally controlled ATV trails.

Additional Resources

[Grants Outcomes website](#)

[ATV Safety Training](#)

Off-Highway Motorcycle Account (OHM)

Brief Overview

- Governing statute: M.S. 84.773 to 84.781
- Year established: 1993
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

The sources of funding for the account include registration fees for OHMs and the unrefunded gasoline taxes attributable to OHM use. Money in the account may only be spent for:

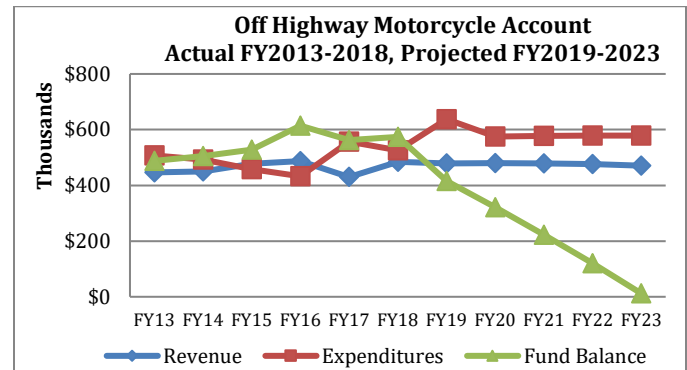
- Administration, enforcement, and implementation of OHM sections of statutes (M.S. 84.787 to 84.795);
- Acquisition, maintenance, and development of OHM trails and use areas; and
- Grants-in-aid to counties and municipalities to construct and maintain OHM trails and use areas. Grants must be guided by the Statewide Comprehensive Outdoor Recreation Plan.

FY18 Financial Summary	
Beginning fund balance	\$562,726
Prior year adjustments	\$53,223
Revenues	
OHM Registration	\$135,313
Misc Receipts	6,309
Unrefunded gasoline tax & police state aid	<u>343,006</u>
Total Revenues	\$484,628
Expenditures	
Parks and Trails Mgmt	\$405,949
Enforcement	109,263
Fish and Wildlife	1,193
Conservations Corps Minnesota	<u>10,000</u>
Total Expenditures	\$526,405
Ending fund balance	\$574,172
Net change	\$11,446

Forecast

OHM registrations account for 28 percent of the revenues in this account. Unrefunded gasoline tax revenue was 70 percent of the revenues. The fund balance has been declining and will be managed by reducing expenditures. The fund balance is expected

to continue to decline due to appropriations exceeding revenue.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2018 Accomplishments

- Developed, monitored, and maintained OHM trails that were open to the public including the Iron Range OHV Recreation Area. More than 858 motorized miles of ATV/OHM trails and 143 single-track OHM miles are open for public use on state forest lands.
- Monitor trail systems each season and address maintenance needs as they arise. Seven grants to counties, cities, and townships, working with local clubs for the maintenance, development, and acquisition on approximately 200 miles of public, locally controlled OHM trails.
- Provided OHM law enforcement; safety training, trail monitoring and grants (57 combined grants) were issued to local law enforcement agencies to provide for enforcement and education activities relating to OHM use around the state.
- Approximately 873 hours were utilized by division staff relation to OHM law enforcement and safety training activities.

Additional Resources

[OHM safety training](#)

[OHM grants-in-aid](#)

Off-Road Vehicle Account (ORV)

Brief Overview

- Governing statute: M.S. 84.773 to 84.781
- Year established: 1993
- OHV Trails: 2,700 miles
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

Fees from the registration of off-road vehicles and revenues from unrefunded gasoline tax attributable to off-road vehicle use are the principal revenue sources. Money in the ORV Account may only be spent for:

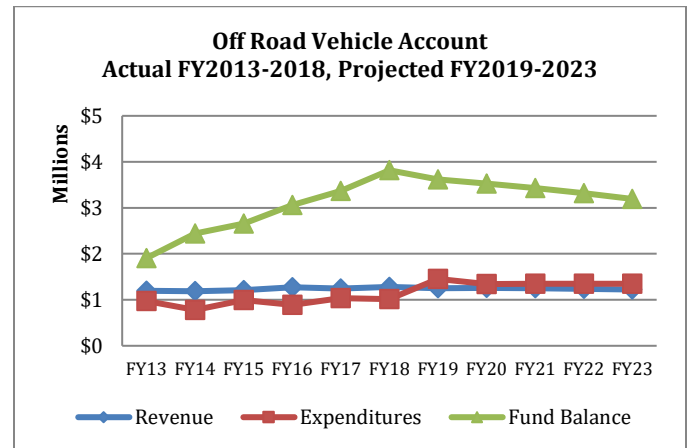
- Administration, enforcement, and implementation of M.S. 84.773 to 84.805;
- Acquisition, maintenance, and development of off-road vehicle trails and use areas;
- Grant-in-aid programs to counties and municipalities to construct and maintain off-road vehicle trails and use areas;
- Grants-in-aid to local safety programs; and
- Enforcement and public education grants to local law enforcement agencies.

FY18 Financial Summary	
Beginning fund balance	\$3,366,403
Prior year adjustments	\$182,754
Revenues	
ORV Registration	\$54,518
Misc Receipts	11,373
Unrefunded gasoline tax & police state aid	<u>1,214,006</u>
Total Revenues	\$1,279,897
Expenditures	
Parks and Trails Mgmt	\$728,434
Enforcement	250,173
Fish and Wildlife	4,102
Conservations Corps Minnesota	<u>30,000</u>
Total Expenditures	\$1,012,709
Ending fund balance	<u>\$3,816,345</u>
Net change	\$449,942

Forecast

ORV registrations account for 4 percent of the revenue in this account. Revenues from unrefunded gasoline taxes was 94 percent. The fund balance

peaked in FY18 and will start to decline due to appropriations slightly exceeding revenues.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2018 Accomplishments

- Provided ORV law enforcement, safety training, trail monitoring and grants (57 combined grants) were issued to local law enforcement agencies to provide law enforcement and education activities relating to ORV use around the state.
- Approximately 1,164 hours were utilized by division staff relating to ORV law enforcement and safety training activities.
- Developed, monitored, administered and maintained 47 miles of ORV recreational trails and 36 miles at the Iron Range OHV Recreation Area. In process of planning an adventure touring route from border to border across the northern half of the state for highway licensed high clearance vehicles capable of being ORV registered.
- Provided \$13,700 in grants to counties and cities, for the maintenance, development, and acquisition of public, locally controlled ORV trails and areas.
- Regional Parks and Trails Acquisition and Development staff continued to work on new projects with the clubs and local government sponsors.

Additional Resources

[Grants Outcomes](#)

[ORV safety training](#)

[ORV grants-in-aid](#)

Cross-Country Ski Account

Brief Overview

- Governing statute: M.S. 85.43
- Year established: 2004 (program established in 1983)
- Ski trails: 1,100 miles
- Primary division: Parks and Trails

Sources and Uses of the Funds

Receipts from cross-country ski trail passes are deposited into this account and used for maintenance and grooming of cross country ski trails.

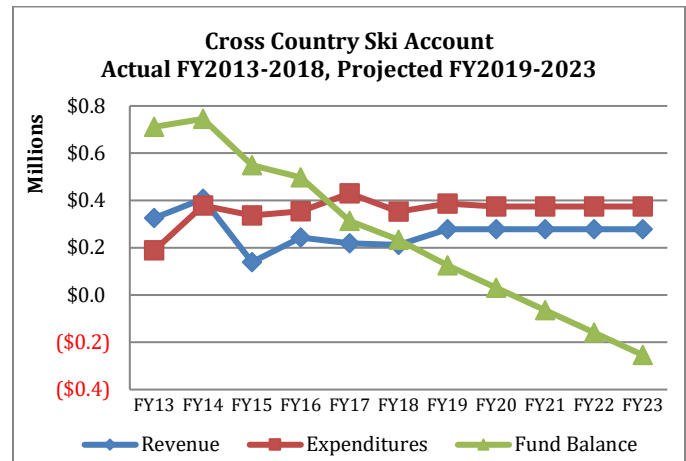
Money deposited in the Cross-Country Ski Account is to be used for grants-in-aid (GIA) for cross-country ski trails sponsored by local units of government and special park districts.

The DNR administers 1,100 miles of state-operated and grant-in-aid cross-country ski trails statewide. By purchasing a ski pass, cross-country skiers support the maintenance and grooming of these cross-country ski trails. Most grant-in-aid cross-country ski trails are maintained by local ski club volunteers.

FY18 Financial Summary	
Beginning fund balance	\$313,941
Prior year adjustments	\$59,259
Revenues	
Cross Country Ski Permit	\$210,144
Misc Receipts	<u>2,510</u>
Total Revenues	\$212,654
Expenditures	
Parks and Trails Mgmt	\$337,758
Conservations Corps Minnesota	<u>15,000</u>
Total Expenditures	\$352,758
Ending fund balance	<u>\$233,096</u>
Net change	(\$80,845)

Forecast

Revenues and expenditures vary considerably from year to year due to snow fall. Revenues decreased by 3 percent this year. The fund balance is showing a decline due to appropriations exceeding projected revenues.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023. The department will manage levels of spending to ensure the account does not go negative as shown above

FY2018 Accomplishments

- Awarded 40 Cross-Country Ski Grants-in-aid (GIA) to local units of government, many partnering with local ski clubs. The grants helped provide 735 miles of GIA ski trails statewide.
- The department allocated \$75,000 toward the grooming of 378 miles of cross-country ski trails maintained by the DNR in state parks, state forests, and on state trails.

Additional Resources

[Minnesota DNR Cross-Country Ski](#)

[Purchase a cross-country ski pass online](#)

[Cross Country Ski Trail Grants-in-Aid \(GIA\)](#)



Forest Management Investment Account

Brief Overview

- Governing statute: M.S. 89.039
- Year established: 2004
- State forests in MN: 59
- Forest roads: 2,360 miles
- Primary division: Forestry

Sources and Uses of Funds

The Forest Management Investment Account (FMIA) was established to create a direct connection between state timber program revenues and expenditures. Primary sources of funding to the FMIA are revenues earned from state land timber sales and related activities. On average, 30,000 acres of timberland are regeneration harvested and 10,000 acres are thinned or selectively harvested each year supplying the state's forest industry with quality wood fiber used for the manufacture of paper, lumber, structural panels, and specialty products.

FMIA dollars can be spent, subject to appropriation by the Legislature, in accordance with the forest management policy and plan, for these purposes:

- State timber sales planning, layout, and administration, contract marking of commercial thinning sales, forest inventory, and cultural resource reviews; and
- State land reforestation and timber stand improvement, including forest pest management.

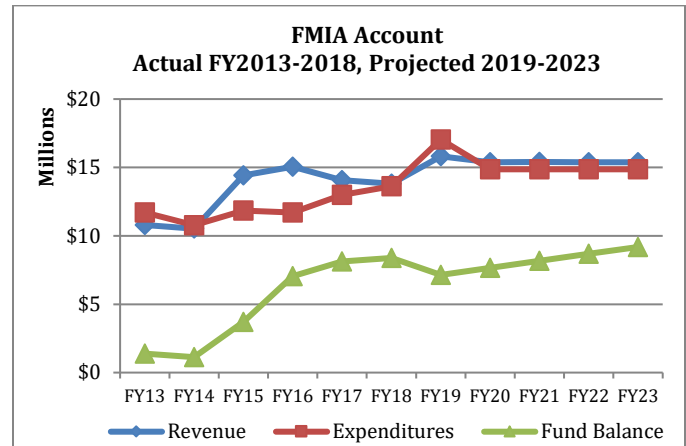
FY18 Financial Summary	
Beginning fund balance	\$8,119,985
Prior year adjustments	\$46,631
Revenues	
Timber sales, interest & penalty	\$3,679,819
Misc Receipts	102,396
Con Con, Univ, School Trust, etc	<u>10,037,385</u>
Total Revenues	\$13,819,600
Expenditures	
Forest Management	\$13,220,525
Lands and Minerals	344,000
Conservations Corps Minnesota	<u>50,000</u>
Total Expenditures	\$13,614,525
Ending fund balance	\$8,371,691

FY18 Financial Summary

Net change	\$251,706
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Forecast

The fund balance is projected to grow beyond the previous peak in FY18 because to projected revenues are greater than appropriations.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2018 Accomplishments

- Offered for sale a total of 1,160,292 cord equivalents, including 926,516 "new" cord equivalents (cords and thousand board feet units only). Timber sold totaled 831,933 cord equivalents and timber harvested totaled 743,183 cord equivalents.
- Acres totaling 1,673 received site preparation for reforestation, 3,010 acres were planted, 5,063 acres were direct seeded, and 1,620 acres were released from competition. 1,124 acres underwent timber stand improvement. Regeneration surveys were completed on 13,463 acres. Some 7,575 acres were protected from animal browse damage by bud capping or repellents. About 6,504 miles of state forest system roads were graded at least once. Right-of-way maintenance was completed on 946 miles and 18 miles were graveled. Forest inventory was updated by area staff on 73,829 acres.

Additional Resources

[DNR M.S. 16A.125 Trust Cost Certification Report – Legislative Reports by Fiscal Year](#)

[DNR Biennial Operating Budget](#)

[Division of Forestry Website](#)

Invasive Species Account

Brief Overview

- Governing statute: M.S. 84D.15
- Year established: 2007 (program established in 1991)
- Primary Division: Ecological and Water Resources

Sources and Uses of the Funds

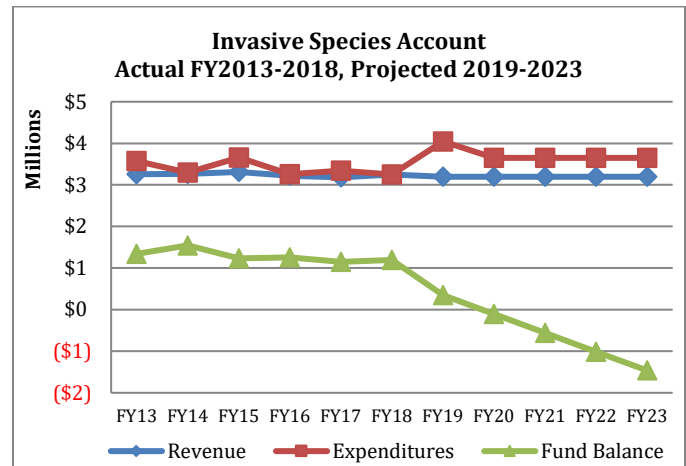
A surcharge on watercraft licenses under M.S. 86B.415, subd. 7, and civil penalties for violations of the law related to prohibited invasive species under M.S. 84D.13 are deposited into the account. Receipts from an annual \$5 surcharge on nonresident fishing licenses under M.S. 97A.475, subd. 7 are transferred each year from the Game & Fish Fund to the Invasive Species Account. The watercraft surcharge accounts for 42 percent of total revenues while the non-resident fishing surcharge accounts for 34 percent.

Funds from the Invasive Species Account are used for management of invasive species and implementation of Chapter 84D. Major activities include control of invasive species, watercraft inspection, public awareness, law enforcement, assessment and monitoring, management planning, and research.

FY18 Financial Summary	
Beginning fund balance	\$1,145,982
Prior year adjustments	\$53,051
Revenues	
Watercraft Surcharge	\$1,355,188
Misc Receipts	19,012
Non Res Fishing Lic Surcharge, Water Rec Account	1,872,220
Total Revenues	\$3,246,420
Expenditures	
Ecological and Water Resources Mgmt	\$2,884,997
Enforcement	339,516
Conservations Corps Minnesota	25,000
Total Expenditures	\$3,249,513
Ending fund balance	\$1,195,940
Net change	\$49,958

Forecast

The fund balance has been declining for many years due to appropriations exceeding revenues. Each year DNR ensures a positive balance by reducing expenditures.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023. The department will manage levels of spending to ensure the account does not go negative as shown above

FY2018 Accomplishments

- The DNR in partnered with University of Minnesota Extension and the Minnesota Aquatic Invasive Species Research Center to put on a one-day aquatic plant identification workshop, designed for consultants who conduct aquatic plant surveys for hire.
- Worked with partners to implement several starry stonewort management pilot projects. This included hand pulling by DNR staff in Grand Lake for the second year, which so far has led to containment of the microalgae. The DNR also gave out four grants using federal funds (total \$13,000) for SSW control projects.
- A series of four regional AIS workshops (100 participants from 39 counties) and a series of four learning sessions (65 attendees from 28 counties) were held around the state.
- Watercraft inspection training was provided to over 950 local government units (LGU).
- Completed the first year of a two-year pilot study to evaluate that allowing lake service provider businesses to remove water-related equipment with zebra mussels attached.

Additional Resources

[Invasive species program](#)

[Aquatic invasive species grants and partnerships](#)

[Invasive Species of Aquatic Plants and Wild Animals in Minnesota, Annual Report 2012](#)

[Summary Report](#)

Land Acquisition Account

Brief Overview

- Governing statute: M.S. 94.16 and 94.165
- Year established: 1984
- Land leases: 2,405
- Primary divisions: Forestry, Fish and Wildlife, Parks and Trails

Sources and Uses of the Funds

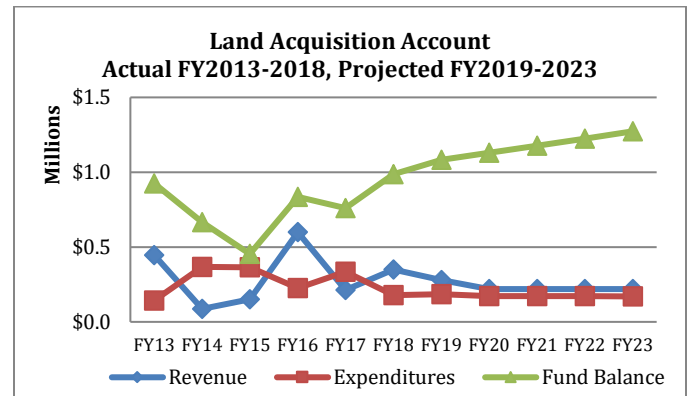
Receipts from the sale of acquired state natural resource land administered by the DNR are credited to the Land Acquisition Account to provide funding to acquire additional state natural resource land in the Outdoor Recreation System and to cover the costs of sale of surplus state land. These funds help the DNR reach the following goals:

- Consolidating state forest land into large contiguous blocks to increase forest management efficiencies and protect critical forest habitat;
- Acquiring privately-owned “in-holdings” within state parks; and
- Acquiring recreation access; and lands with significant natural resource characteristics.

FY18 Financial Summary	
Beginning fund balance	\$760,633
Prior year adjustments	\$56,158
Revenues	
Sale of Land	\$288,339
Misc Receipts	61,160
Total Revenues	\$349,499
Expenditures	
Forest Management	\$62,260
Parks and Trails Mgmt	22,233
Fish and Wildlife	94,445
Total Expenditures	\$178,938
Ending fund balance	\$987,352
Net change	\$226,719

Forecast

The balance of the fund dropped in FY2014 due to increased land acquisition costs. While the amount of the fund balance decreased again in FY2015, an increase in lands sold in FY2015 and FY2016 helped to stem that decline. The fund balance is projected to increase through FY2023.



Expenditure projections are based on spending authorized in law for the current biennium and base appropriations carried out through 2023.

FY2018 Accomplishments

- Used to support acquisition of two parcels in Hubbard County, 350 acres and 40 acres respectively; as well as an 80 acre acquisition in Crow Wing County.
- Division of Parks and Trails completed acquisitions at Nerstrand Big Woods State Park, Lake Bemidji State Park, Lake Bronson State Park and Sibley State Park totalling 44 acres; and completed a 1/3 acre land sale on Sakatah State Trail in Rice County.
- In FY18 the FAW Land Acquisition Account was used for transaction costs related to 24 sales and 4 exchanges. There were 5 acquisitions of school trust parcels for which transaction costs were also supported by this account. Four sales were concluded in FY18 that have resulted in revenue to the account.

Additional Resources

[Division of Lands and Minerals](#)

State Land & Water Conservation (LAWCON) Account

Brief Overview

- Governing statute: M.S. 84.0264 (previously 116P.14)
- Year established: 2001
- Primary Division: Parks and Trails

Sources and Uses of the Funds

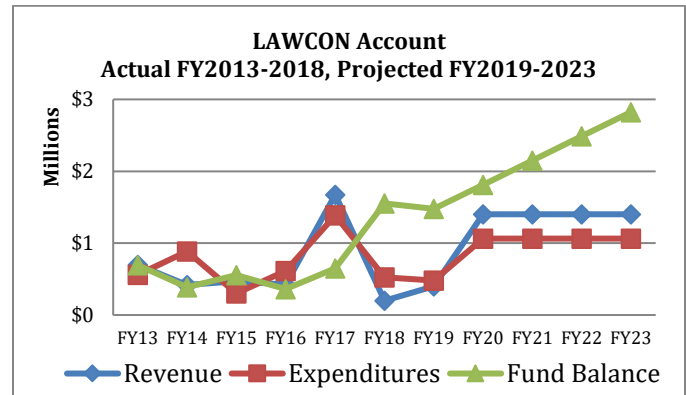
From 1965 to 2015, Minnesota has received over \$74 million from the federal Land & Water Conservation Fund. M.S. 84.0624 distributes 50 percent of each annual apportionment to projects developed, acquired, or maintained by local units of government. The State distributes these funds through the Outdoor Recreation, Regional Park, and Natural and Scenic Areas grant programs. The other 50 percent is allocated to state acquisition and development projects of the state outdoor recreation system as defined in M.S. 86A, and for administrative expenses necessary to maintain the state’s eligibility for the federal Land & Water Conservation Fund grant program.

Each year, the State identifies the specific acquisition and development projects to which its annual federal LAWCON apportionment will be obligated. As the projects are completed, the federal LAWCON funds are reimbursed to the State. All money received by the State for local units of government is appropriated annually and reimbursed to the project sponsor. All money received for state agency projects is deposited in the State LAWCON Account.

FY18 Financial Summary	
Beginning fund balance	\$649,085
Prior year adjustments	\$1,229,526
Revenues	
Federal Reimbursement	\$644
LAWCON Local Reimbursement	198,083
Misc Receipts	57
Total Revenues	\$198,727
Expenditures	
Parks and Trails Mgmt	\$522,443
Ending fund balance	\$1,554,895
Net change	\$905,810

Forecast

This account is a reimbursement program and can fluctuate depending upon the timing of the expenditures and when revenues are collected. The fund balance is projected to increase.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2018 Accomplishments

- Completed the development of the new group camp, new campground loop, restroom and shower facilities, camping cabins, picnic shelters, furnishings, and utilities for outdoor recreation in Whitewater State Park. Completed a Minnesota Outdoor Activities Survey to provide information and direction for the 2019 State Comprehensive Outdoor Recreation Plan (SCORP).
- Completed grants to the cities of Wolf Lake, Plainview, Zumbrota and Cottage Grove to expand close to home recreation opportunities.
- Administered the grant program to continue the State’s eligibility to receive future LAWCON apportionments from the National Park Service.

Additional Resources

[Land and Water Conservation Fund \(LAWCON\)](#)

[National Park Service, Land & Water Conservation Fund](#)

[Statewide Comprehensive Outdoor Recreation Plan \(SCORP\)](#)

[Parks and Natural Areas Funded by the Land & Water Conservation Fund \(LAWCON\)](#)

Lottery in Lieu Accounts: State Parks & Trails Account

Brief Overview

- Governing statute: M.S 297A.94
- Year established: 2000
- Primary division: Parks and Trails

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The funds must be used for specified purposes:

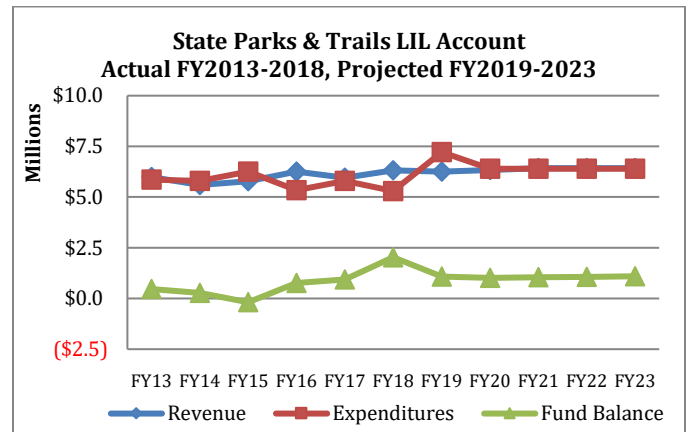
- State Parks and Trails Account (LIL) – money is spent only for state parks and trails

The State Parks & Trails LIL account provides funds to maintain and operate state parks and trails.

FY18 Financial Summary	
Beginning fund balance	\$937,556
Prior year adjustments	\$68,897
Revenues	
State Parks and Trails - Lottery in lieu	\$6,324,417
Misc Receipts	665
Total Revenues	\$6,325,082
Expenditures	
Parks and Trails Mgmt	\$5,211,435
Enforcement	62,617
Conservations Corps Minnesota	25,000
Total Expenditures	\$5,299,052
Ending fund balance	\$2,032,483
Net change	\$1,094,927

Forecast

The fund balance is projected to remain stable.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2018 Accomplishments

Total expenditures from this account are used to manage state parks and trails by:

- Maintaining the buildings and grounds for day and overnight use;
- Maintaining state non-motorized trails;
- Paying labor costs and purchasing supplies for these activities;
- Providing a safe environment for visitors, orientation, and visitor services; and
- Providing environmental education, resource management, interpretive services, and emergency maintenance when needed (i.e., broken water and sewer lines, power failures, downed trees, etc.).

Additional Resources

[State Comprehensive Outdoor Recreation Plan](#)

[DNR reports](#)

[Strategic Conservation Agenda](#)

[Minnesota State Parks Strategic Plan](#)

[Long range conservation plans and strategies](#)

[DNR publications](#)

[Recreation Grants](#)

[Parks & Trails](#)

Lottery in Lieu Accounts: Local Trails Grants Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary division: Parks and Trails

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The funds must be used for specified purposes:

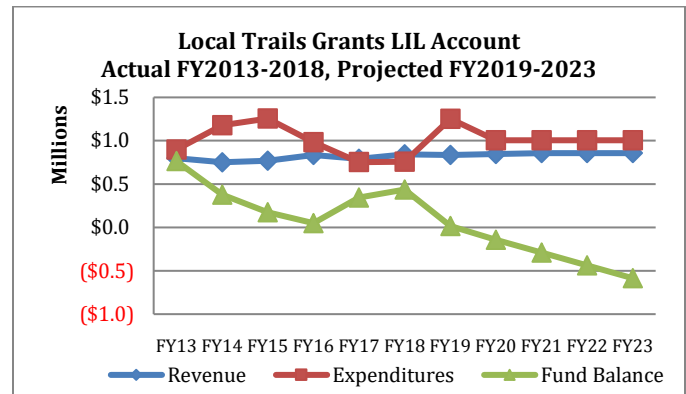
- Local Trails Grants Account (LIL) – money is spent only for local trail grants and

This LIL grant funding is made through the Local Trail Connections Program and the Regional Trail Grant Program, established in MN Statutes 85.019. Funded grant projects include acquisition and betterment of public land and improvements needed for trails. Counties, cities, and towns are eligible for the grants.

FY18 Financial Summary	
Beginning fund balance	\$345,933
Prior year adjustments	\$3,583
Revenues	
Local Trails Grants- Lottery in lieu	\$843,256
Expenditures	
Parks and Trails Mgmt	\$756,977
Ending fund balance	\$435,795
Net change	\$89,862

Forecast

Revenues remain steady through FY23. The fund balance is projected to decrease due to appropriations exceeding revenues starting in FY19.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023. The department will manage levels of spending to ensure the account does not go negative as shown above.

FY2018 Accomplishments

There were 5 grants funded to local communities in FY2018 for Local Trail Connections, Regional Trails and Local Parks. These grants help to acquire and develop local recreation park facilities and trails to connect citizens with the outdoors.

Additional Resources

[Local Grants and Pass through Appropriations](#)

Lottery in Lieu Accounts: Metro Parks & Trails Grants Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary entity: Metropolitan Council

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The funds must be used for specified purposes:

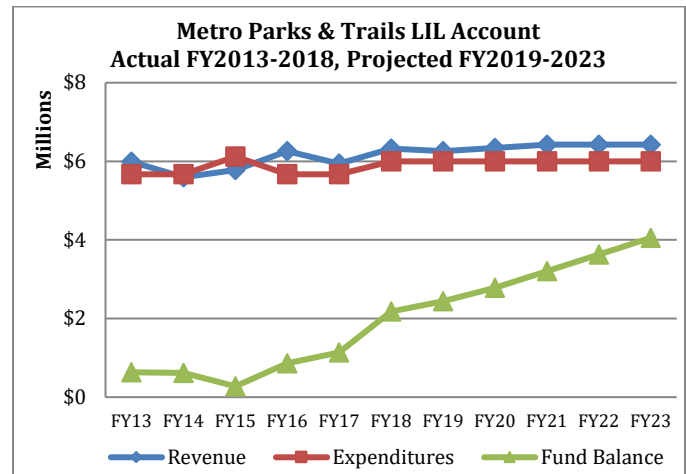
- Metropolitan Parks and Trails Account (LIL) – money is spent only for metro park and trails grants.

The Metropolitan Council allocates the Metro Parks & Trails funds to the metro region park boards. Recipients include the counties of Anoka, Washington, Ramsey, Scott, Carver, and Dakota; cities of St. Paul and Bloomington; the Minneapolis Park and Recreation Board; and the Three Rivers Park District.

FY18 Financial Summary	
Beginning fund balance	\$1,140,457
Prior year adjustments	\$716,605
Revenues	
Metro Parks and Trails - Lottery in lieu	\$6,324,417
Expenditures	
Metropolitan Council	\$6,000,000
Ending fund balance	\$2,181,479
Net change	\$1,041,022

Forecast

The fund balance is slightly increasing due to revenues projected to exceed appropriations.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2018 Accomplishments

The Metropolitan Regional Parks System’s LIL funds are used by the Metropolitan Council to support the work of the ten regional park implementing agencies across the seven-county Metropolitan Region. This parks system includes 44 regional parks, 12 park reserves and 8 special recreation features totaling about 55,000 acres open for public use. The system also has 49 regional trails with almost 400 miles of opportunities. The funding pays for operations and maintenance costs on a cost reimbursement basis.

Additional Resources

[Metropolitan Council](#)

Lottery in Lieu Accounts: Zoos Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary entities: Minnesota Zoo, Como Zoo & Duluth Zoo

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

Under statute 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The funds must be used for specified purposes:

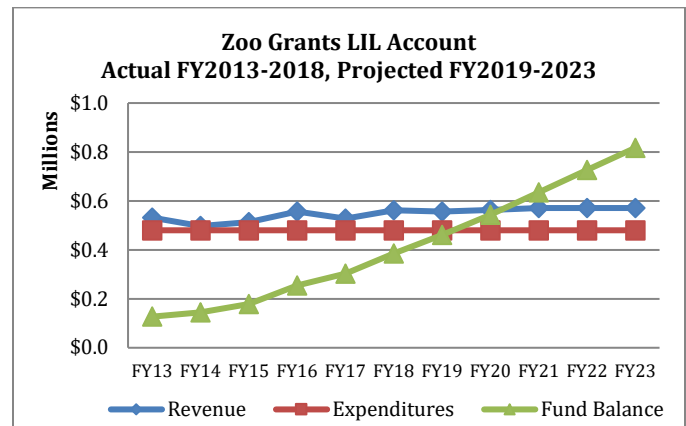
- Zoos Account (LIL) – money is spent only by: the Minnesota Zoological Garden, the Como Zoo and Conservatory, and the Duluth Zoo. The lottery money funds a portion of the operations.

The three zoos named in the legislation receive pass-through appropriations to support operations and activities of the zoos. The Minnesota Zoo, the Como Zoo and the Duluth Zoo each receive \$160,000. The three zoos use these grant funds to help support their general operations.

FY18 Financial Summary	
Beginning fund balance	\$302,911
Prior year adjustments	\$0
Revenues	
Minnesota Zoos - Lottery in lieu	\$562,170
Expenditures	
Operations Support-Como & Duluth Zoos	\$320,000
Minnesota Zoo	160,000
Total Expenditures	\$480,000
Ending fund balance	\$385,081
Net change	\$82,170

Forecast

Revenues and expenditures remain steady through FY2023. The fund balance is increasing due to revenues exceeding appropriations.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

Additional Resources

[Minnesota Zoo](#)

Minerals Management Account

Brief Overview

- Governing statute: M.S. 93.2236
- Year established: 2005
- DNR administers mineral rights: 12 million acres
- Primary division: Lands and Minerals

Sources and Uses of Funds

Mineral management responsibilities include state mineral evaluation and promotion, issuing leases for exploration and mining, negotiating royalty rates and rentals, and managing revenue transactions related to mining and exploration. The program also provides technical assistance to local governments on mineral resources and mining issues.

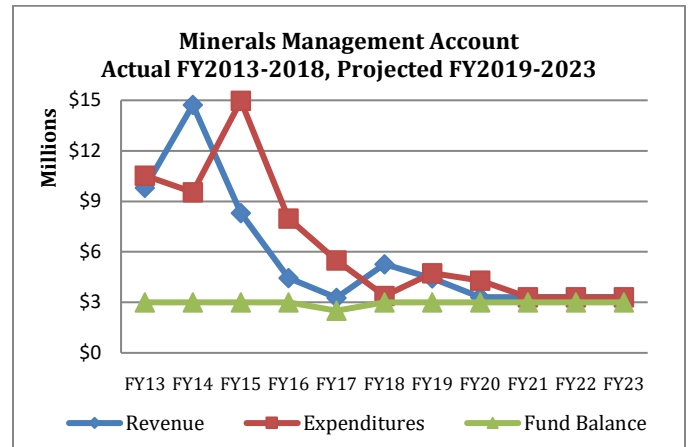
Revenues from state mineral leases are collected from mining companies and distributed in accordance with state law to benefit schools, the university, and local taxing districts. The Minerals Management program objective is to maximize mineral lease revenues for the Permanent School Fund, the Permanent University Fund, and local units of government.

The funds and accounts that directly benefit from mineral income pay for a portion of the costs of state minerals lease and ownership activities. Twenty percent of the payments made under all state mineral leases are credited to this account to pay the costs associated with the administration and management of the state’s mineral resources. Money in the account is appropriated by the legislature to the commissioner for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities.

FY18 Financial Summary	
Beginning fund balance	\$2,506,084
Prior year adjustments	\$153
Revenues	
Iron Ore Rents & Royalties	\$4,477,465
Misc Receipts	<u>797,293</u>
Total Revenues	\$5,274,758
Expenditures	
Lands and Minerals	\$2,952,839
Univ., School Trust, Taxing Districts	<u>432,415</u>
Total Expenditures	\$3,385,254
Ending fund balance	<u>\$4,395,741</u>
Net change	\$1,889,657

Forecast

There are transfers projected for FY19 and FY20 due to revenues greater than expenditures. Revenues and expenditures around \$3 million are projected each year.



Note – At the end of each quarter of the fiscal year (March 31, June 30, September 30, and December 31), the amount of the balance in excess of \$3 million is distributed to the School, University and Taxing Districts according to the proportions of revenue sourced from those lands.

FY2018 Accomplishments

- FY 2018 mineral receipts were \$26.4 million; up 56% from FY 2017. While largely driven by improved iron ore economies, income from the leasing of other metallic minerals was also up 20% from FY 2017.
- Issued 284 new metallic mineral leases in FY 2018 covering 112,000 acres. This increased rental payments 20% over FY 2017, from \$1.37 million to \$1.65 million.
- Provided mineral expertise to the decision makers routing the Enbridge Pipeline and the Great Northern Transmission Line that avoided areas that could have otherwise had significant impacts to high mineral potential areas in Minnesota.

Additional Resources

[Lands and Minerals Publications](#)

Mining Administration Account

Brief Overview

- Governing statute: M.S. 93.481
- Year established: 2008
- Primary division: Lands and Minerals

Sources and Uses of the Funds

The 2008 law provided that ferrous mining (taconite and iron ore) administrative fees would be charged to owners, operators, or managers of mines and the revenues deposited to the new account. The revenues were appropriated to the DNR to cover the costs of administering and monitoring permits to mine ferrous metals.

In the last months of FY2009, the law was amended to provide that deposits to the account would include all fees charged to owners, operators, or managers of mines under M.S. 93.481 and a new section, M.S. 93.482 (Reclamation Fees). The mining administrative fee was extended to include ferrous, nonferrous, peat, and scam mining.

Each year, the annual permits to mine fees are collected based on the number of companies holding permits in the previous calendar year, whether or not there was production at the facilities.

The funds are used for mineland reclamation activities that control adverse environmental impacts of mining, preserve natural resources, and encourage future land utilization planning. These activities also promote the orderly development of mining, encourage good mining practices, and recognize the beneficial aspects of mining. Supported activities within mineland reclamation include:

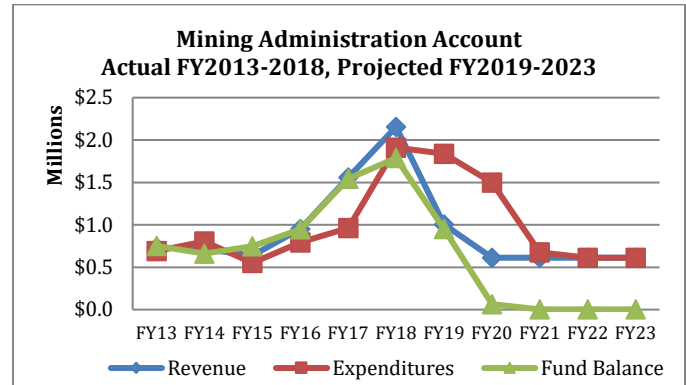
- Mine permitting & site inspections;
- Wetland impact avoidance, minimization, and mitigation;
- Annual report and operating plan review;
- Research toward reclamation practice improvement; and environmental review.

FY18 Financial Summary	
Beginning fund balance	\$1,543,692
Prior year adjustments	\$0
Revenues	
Mineland Reclamation Fees	\$2,134,021
Misc Receipts	20,825
Total Revenues	\$2,154,846

FY18 Financial Summary	
Expenditures	
Lands and Minerals	\$1,910,856
Ending fund balance	\$1,787,682
Net change	\$243,990

Forecast

Expenditures are projected to be greater than revenues. The fund balance is estimated to remain barely positive.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2018 Accomplishments

Administered, monitored, and amended:

- Seven taconite permits for producing operations;
- Three closure status taconite permits;
- Four scam mining permits;
- Nine peat mining permits;
- Working with two facilities to develop innovative reclamation projects, including ensuring the facility's compliance with existing rules and approval requirements, and monitoring installation.

Additional Resources

[Mining and Mineral Resources of Minnesota](#)

[Lands and Mineral publications](#)

[Establishment of a Permit to Mine Administration and Application Fee Schedule \(report to legislative committees, published Jan. 2009\)](#)

[Reclamation section publications](#)

[Reclamation: Minnesota DNR](#)

Natural Resources Misc. Statutory Account (Dedicated Receipts Account)

Brief Overview

- Governing statute (year established):
- M.S. 89.421 (2007), Forest Resource Assessment Products
- M.S. 85.46 (2007), Horse Pass Account
- M.S. 89.21 (2012), Forest Campgrounds
- Primary divisions: Forestry, Parks and Trails

Sources and Uses of Funds

The Natural Resources Dedicated Receipts Account is the repository for the statutorily-appropriated dedicated accounts in the Natural Resources Fund.

Money deposited in the Natural Resources Misc. Statutory Account comes from these sources:

- Sales of forest resource assessment products and services;
- Horse pass and forest campground fees; and
- Minimum \$50 donation for the State Parks and Trails Special Plates for passenger automobile, recreational vehicle, one ton pickup trucks, and motorcycles.

Money in the Natural Resources Misc. Statutory Account can be used for these purposes:

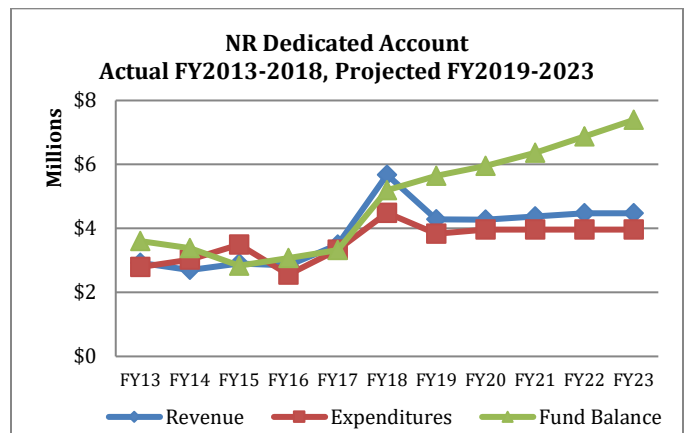
- Maintain staff and facilities producing the aerial photography, forest inventory, remote sensing, and satellite imagery products and services;
- For trail acquisition, trail and facility development, and maintenance, enforcement, and rehabilitation of horse trails or trails authorized for horse use;
- Costs associated with the use of forest campgrounds; and
- Operations and maintenance costs for state parks and trails.

FY18 Financial Summary	
Beginning fund balance	\$3,327,352
Prior year adjustments	\$674,623
Revenues	
Easement, water & land crossing licenses, water fees	\$738,057
Water fees, inspection & gas storage fees	148,549

FY18 Financial Summary	
Fire burn & Decorative bough permits, misc. forestry fees	3,072,858
Horse Trail Pass, Forest Campground Fees, SP Special Plate fee, misc park fees	787,636
Misc Receipts	<u>931,202</u>
Total Revenues	\$5,678,302
Expenditures	
Forest Management	\$2,532,547
Lands and Minerals	536,578
Parks and Trails Mgmt	317,758
Ecological and Water Resources Mgmt	203,542
Fish and Wildlife	<u>895,530</u>
Total Expenditures	\$4,485,955
Ending fund balance	<u>\$5,194,322</u>
Net change	\$1,866,970

Forecast

Approximately 53 percent of the total receipts in the Dedicated Receipts Account were from the Forestry Resource Assessment Products and Services Account. Horse Trail pass, forest campgrounds and State Park (SP) Special Plate fee contributed 14 percent of the revenue. The fund balance increased by 41 percent this year. The fund balance is expected to increase due to revenues exceeding expenditures.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2018 Accomplishments

- National Wetland Inventory: Completed quality assessment on 2,600 quarter quadrants in Central (1,300 quadrants) and NW (1,300 quadrants) National Wetlands Inventory projects.
- Approximately 1.2 million acres of wetlands were photo interpreted and 800,000 acres of

photos were acquired for the wetland monitoring project.

- 11 million acres of aerial forest health survey;
- 6,837 acres of forest regeneration detection;
- 2800 miles of roads surveyed in the RJ Dorer State Forest for Terrestrial Invasive Species with approximately 7500 records;
- 15 miles (~1,000 acres) of oblique coastal imagery acquired of the Willow River & Grindstone Dams.
- 7 state forest maps completed: Centennial, General CC Andrews, Nemadji, Beltrami Island, Lake Jeanette, Lake Isabella, Insula Lake, Began Blackduck and Buena Vista State Forests.
- Issued 27,645 burning permits through a mix of paper and online permits.

Parks and Trails manages:

- 1,100 campsites in 47 state forest campgrounds
- 1,000 miles of horse trails and 500 horse campsites

Additional Resources

[Horseback Riding](#)

[Frequently asked questions about the horse trail pass](#)

[Horse Trail Pass at Work \(list of funded projects\)](#)

[State Forest Horse Campgrounds and Trails](#)

[Purchase horse trail passes \(electronic licensing center\)](#)



Nongame Wildlife Management Account

Brief Overview

- Governing statute: M.S. 290.431
- Year established: 1980 (program established in 1977)
- Loon abundance: 2.63 loons per 100 acres in Aitkin/Crow Wing index area
- Primary division: Ecological and Water Resources

Sources and Uses of Funds

The principal objectives are the conservation of nongame wildlife species and management and conservation of their habitats.

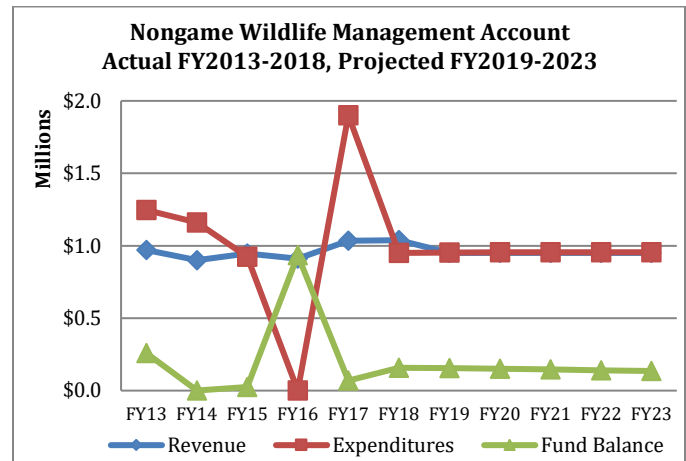
The program works to protect over 800 species of nongame wildlife.

The principal source of funding for this program is contributions by taxpayers on their state income tax and property tax forms, sometimes referred to as the “Chickadee Checkoff.” Individuals who file a state income tax return (M-1) or property tax refund claim (M1-PR) may donate to the Nongame Wildlife Program.

FY18 Financial Summary	
Beginning fund balance	\$69,304
Prior year adjustments	\$0
Revenues	
Donations from income tax return	\$1,031,650
Misc Receipts	6,663
Total Revenues	\$1,038,313
Expenditures	
Ecological and Water Resources Mgmt	\$950,078
Ending fund balance	\$157,539
Net change	\$88,235

Forecast

Revenues remain steady through FY23. The account is managed to ensure uses to not exceed revenues.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2018 Accomplishments

- Project WILD held 11 educator/facilitator workshops and trained 233 participants. Project WET held 4 educator/facilitator workshops to train 118 participants. Educational programs by the two staff reached many additional students, families, and professionals at a wide range of events and venues.
- Increased donations through social marketing, wildlife webcams, tax preparer outreach. Webcams reached 170 countries worldwide and were viewed consistently in all 50 states in the US. Online donations increased significantly. All donations were matched 1:1 by the Critical Habitat License Plate fund. Total donations were up 2.8%.
- Nongame staff worked with internal and external partners to develop objectives for the first Conservation Focus Area established under the 2015 Wildlife Action Plan.
- Nongame staff continued work on the multiagency long-term grassland monitoring project. A total of eleven sites were monitored for vegetation which included 152 vegetation transects and 17 relevés. A total of 10 sites were monitored for birds. Data was entered into the appropriate databases and shared with cooperators.
- Staff worked with internal and external partners to develop Minnesota’s component of the Mid America Monarch Conservation Strategy.
- Surveys for wood turtles were conducted in southeast Minnesota to inform the Minnesota

Wood Turtle Conservation Plan being developed.

- Each of the four Regions are staffed with 1 - 3 biologists who provide technical guidance and conduct habitat and species surveys in order to sustain and enhance biological diversity. Four management guidelines were developed. Survey work was conducted on 8 rare species or species groups: mussels, reptiles and herps (MN River), pollinators, common tern, loon, Blanding's turtle, timber rattlesnake, goshawk, Richardson's ground squirrel, rusty patch bumble bee.

Additional Resources

[Nongame Wildlife Program](#)

[Statewide Nongame Projects](#)

[Habitat projects](#)

[Research reports](#)

[Wildlife rehabilitation home page, organizations](#)

[Minnesota's Wildlife Action Plan](#)

[License plates](#)

[Online donation to Nongame Wildlife program](#)



Snowmobile Trails and Enforcement Account

Brief Overview

- Governing statute: M.S. 84.83
- Year established: 1982
- Registered snowmobiles: 192,000
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of the Funds

Fees from the registration of snowmobiles, trail pass, and one percent of the unrefunded gasoline taxes attributable to snowmobile use are the main sources of funding in the Snowmobile Account. The account funds may be spent only as appropriated by law, for:

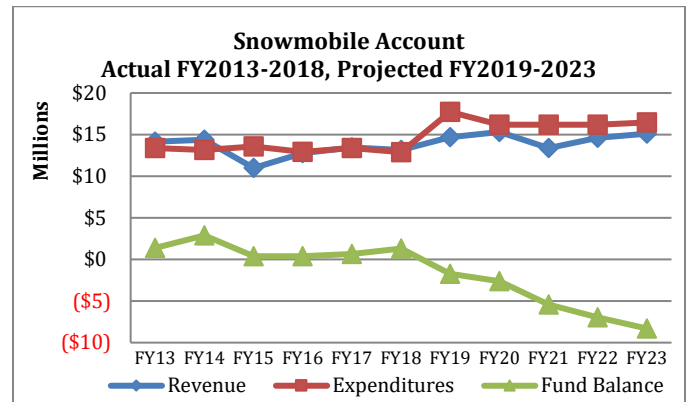
- A grant-in-aid program to local units of government for construction and maintenance of snowmobile trails;
- Acquisition, development, and maintenance of state recreational snowmobile trails;
- Snowmobile safety programs; and
- Administration and enforcement of the laws concerning snowmobiles in M.S. 84.81 to 84.91, and grants to local law enforcement agencies.

FY18 Financial Summary	
Beginning fund balance	\$666,490
Prior year adjustments	\$360,135
Revenues	
Snowmobile Registration	\$5,439,772
Misc Receipts	282,640
Unrefunded gasoline tax & police state aid	<u>7,437,898</u>
Total Revenues	\$13,160,310
Expenditures	
Parks and Trails Mgmt	\$10,809,832
Enforcement	1,807,976
Fish and Wildlife	179,037
Lands and Minerals	13,000
Conservations Corps Minnesota	<u>75,000</u>
Total Expenditures	\$12,884,845
Ending fund balance	<u>\$1,302,090</u>
Net change	\$635,600

Forecast

Revenue from registrations and trail permits are correlated with the weather's impact on snowmobiling. An on-going structural imbalance

between spending and receipts is being managed on an annual basis.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through FY2023. The department will manage levels of spending to ensure the account does not go negative as shown above.

FY2018 Accomplishments

- 13,888 hours on enforcement, education and safety training activities.
- 62 grants issued to counties and local government for law enforcement and education and trail maintenance.
- Employees and volunteer instructors trained 6,710 youth and adults through the snowmobile safety education program.
- Developed, managed, and maintained more than 800 miles of recreational snowmobile trails that were open to the public.
- Administered grants-in-aid that were available to local units of government to create and maintain locally initiated trails totaling 21,459 miles, through 178 grants.
- The License Center issues all Snowmobile registrations through a web based Electronic License System (ELS) available from 175 registration agency (deputy registrars).

Additional Resource Links

[Snowmobiling home page](#)

State Parks Account

Brief Overview

- Governing statute: M.S. 85.052, subd. 4.
- Year established: 2000
- State parks: 66
- State recreation areas: 9
- Yearly visitors: 10 million
- Primary Division: Parks and Trails

Sources and Uses of the Funds

We manage 66 state parks, 9 state recreation areas, 9 state waysides, and 84 state forest campgrounds/day use areas.

Fees paid by visitors who purchase products and services within a state park, state recreation area or wayside, and for special state park uses, are credited to the State Parks Account.

Money in the State Parks Account is available to operate and maintain the state park system, under M.S. 85.055, subd. 2, when appropriated by the legislature. Costs of the DNR electronic licensing system attributable to state park permits also comes out of this account.

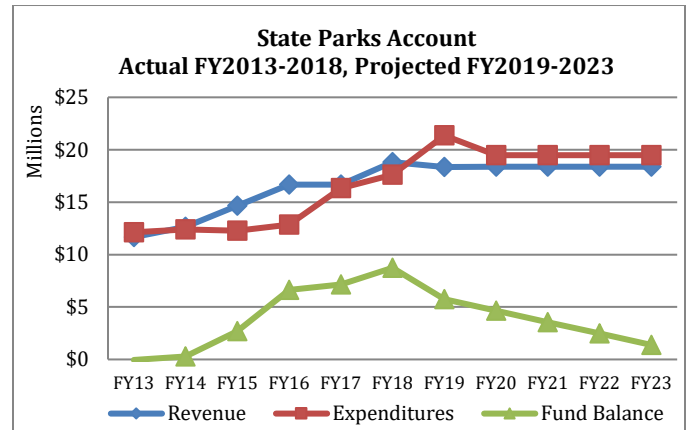
FY18 Financial Summary	
Beginning fund balance	\$7,146,197
Prior year adjustments	\$391,312
Revenues	
Camping Fees	\$8,471,651
Park Permits	6,924,170
Park facilities rentals & concessions	2,114,706
Misc Receipts	1,273,088
Unredeemed gift cards & police st aid	<u>33,203</u>
Total Revenues	\$18,816,818
Expenditures	
Parks and Trails Mgmt	\$17,406,755
Enforcement	59,153
Fish and Wildlife	0
Conservations Corps Minnesota	<u>150,000</u>
Total Expenditures	\$17,615,908
Ending fund balance	<u>\$8,738,419</u>
Net change	\$1,592,222

Forecast

Camping fees accounted for 45 percent of revenues, park permits were 37 percent, and park facility

rentals and concessions were 11 percent. Revenues and expenditures remain steady.

In FY18, the State Parks Account was 16 percent of Parks and Trails total division budget.



Revenues and expenditures in the State Parks Account are projected to level off with a peak in expenditures in FY19. Current estimates show that the fund is no longer structurally balanced starting in FY19.

FY2018 Accomplishments

- DNR welcomed over 10 million visitors, approximately 87 percent of which came for day use. There were 1.1 million overnight park visits. New campgrounds were opened at Lake Vermilion-Soudan Underground Mine and Whitewater state parks. A park pass check-out pilot program was implemented, an Adventure Station promoting parks at REI opened, and a Governor’s Award was given for efforts surrounding Multicultural Media Outreach.
- In a typical year, the DNR restores about 800 acres, burns about 5,800 acres and controls invasive plants on about 10,000 acres. Approximately 1% of their budget is funded through this program.

Additional Resources

[Minnesota State Parks](#)

[Strategic Conservation Agenda](#)

[State Parks Permits](#)

[Reservations](#)

[State Park Studies](#)

Water Management Account

Brief Overview

- Governing statute: M.S. 103G.27
- Year established: 2011
- Primary Division: Ecological and Water Resources

Sources and Uses of the Funds

Money deposited in the Water Management Account comes from these sources:

- Water Use fees (the majority of revenue comes from this source);
- Fees from Field Inspections;
- Penalties;
- Application fees for water use and public waters work permits;
- Other receipts according to section 103G.271 and 103G.301; and
- Interest earned on money in the account accrues to the account.

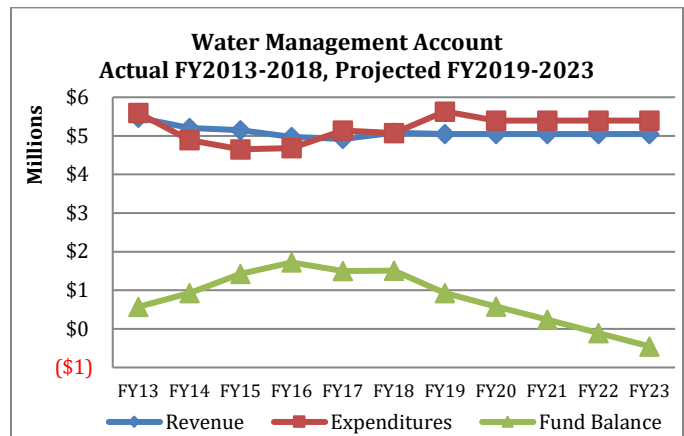
In accordance with M.S. 103G.27, money from this account may only be spent on costs associated with administering Chapter 103G. Currently, funds are used only by staff in the Ecological and Water Resources Division (EWR). EWR uses the money in the Water Management Account for these purposes:

- Staff time to process permit applications for water use and for work in public waters;
- Staff time to process water use reports and verify fees;
- Field inspections of proposed public water alteration proposals;
- Dam safety inspections and permit processing cost;
- Public water inventory mapping;
- Calcareous fen protection;
- Surveys of lake outlets and ordinary high water elevations;
- Stream, lake and groundwater gaging work (when related to permit requirements);
- Great Lakes Compact-related work;
- Drought;
- Water conservation;
- Obtaining field survey data for technical analyses; and
- Preparing topographic maps and profiles.

FY18 Financial Summary	
Beginning fund balance	\$1,502,371
Prior year adjustments	\$888
Revenues	
Water Fees	\$5,059,810
Misc receipts	<u>18,350</u>
Total Revenues	\$5,078,160
Expenditures	
Ecological and Water Resources Mgmt	\$5,073,009
Ending fund balance	\$1,508,410
Net change	\$6,039

Forecast

Revenues are projected to remain steady through FY2023. Appropriations slightly exceed revenues causing the fund balance to decline.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2018 Accomplishments

- Completed permit reviews and made decisions on 1,071 water appropriation and 960 public waters permit applications and change requests to existing permits. 152 well construction preliminary assessments were completed.
- Processed 9,900 water use reports and verified correct water use fee payments. 90% of water use reports are completed online and 10% are submitted on paper.
- Issued 18 dam safety permits and permit amendments.
- Inspected 235 dams, including 30 Class 1 high-hazard dams and 31 Class 2 significant-hazard dams.
- Collected water use information from 125 permit holders in the Lake Superior watershed. This information is used to compile an annual

summary report for the Great Lakes Regional Water Use Database.

- Worked on Water Appropriation and Public Waters Work Permits for Seven Taconite Operations.
- Transferred Water Appropriation Permits for Scram operation.
- Reviewed and updated permit conditions and monitoring for the nine Peat Mine permits.
- Worked to help resolve the Hector Mine Pit washout. Hydrologic Lead role.
- Added a waters webpage to the overall Lands & Minerals webpage.

Water Recreation Account

Brief Overview

- Governing statute: M.S. 86B.706
- Year established: 1985
- Public water access sites: 1,700
- Primary divisions: Parks and Trails, Enforcement, Fish and Wildlife, Ecological and Water Resources

Sources and Uses of the Funds

Money deposited in the fund is used for water recreation programs such as public water access, boating facilities, small craft harbors, and water safety.

The majority of money deposited in the Water Recreation Account comes from these sources:

- Fees from registration and titling of watercraft; and
- Unrefunded gasoline tax attributable to watercraft use.

Money in the Water Recreation Account can be used for these purposes:

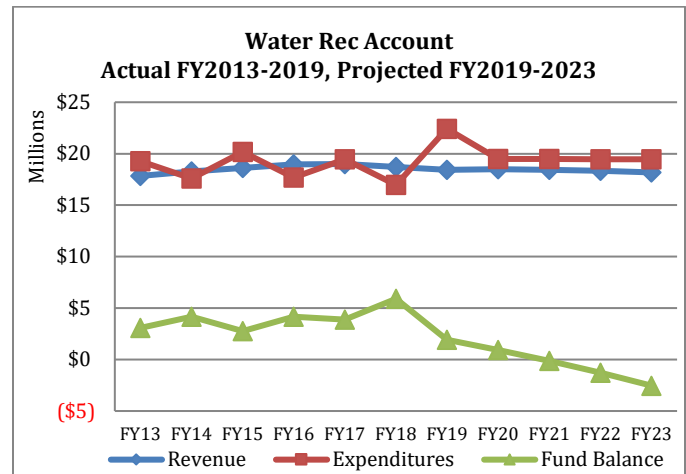
- Acquisition, development, maintenance, and rehabilitation of public water access and boating facilities on public waters, lake and river improvements, and boat and water safety;
- Maintenance, operation, replacement, and expansion of state-operated or state-assisted small craft harbors and mooring facilities, and the debt service on state bonds sold to finance these facilities;
- Administration and enforcement of Chapter 86B as it pertains to watercraft titling and licensing and the use and safe operation of watercraft;
- Grants for county-sponsored and administered boat and water safety programs;
- State boat and water safety efforts; and
- Management of aquatic invasive species.

FY18 Financial Summary	
Beginning fund balance	\$3,893,690
Prior year adjustments	\$265,444
Revenues	
Watercraft Registration	\$6,619,775
Misc Receipts	858,672
Unrefunded gasoline tax & police state aid	<u>11,231,020</u>

FY18 Financial Summary	
Total Revenues	\$18,709,467
Expenditures	
Parks and Trails Mgmt	\$9,420,251
Enforcement	4,083,387
Fish and Wildlife	1,274,506
Ecological and Water Resources Mgmt	1,367,291
Lands and Minerals	20,000
Conservations Corps Minnesota	50,000
Invasive Species Account	<u>750,000</u>
Total Expenditures	\$16,965,435
Ending fund balance	<u>\$5,903,166</u>
Net change	\$2,009,476

Forecast

Fees for watercraft registration, license issuance and watercraft titling are 38 percent of the revenue for this account. Unrefunded gasoline taxes made up 59 percent of the revenue. The fund balance is projected to decline due to appropriations exceeding revenues through FY2023.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023. The department will manage levels of spending to ensure the account does not go negative as shown above.

FY2018 Accomplishments

- The Division of Parks & Trails manages: more than 1,650 public water access sites; over 4,500 miles of State Water Trails for canoeing, kayaking, boating and camping on 34 rivers and Lake Superior; and 10 small craft harbors/protected accesses on Lake Superior.
- Water Recreation funds, often matched with federal boating access funds and support major

improvements to the quality of public water access through development projects. These projects incorporate best management practices for accessibility, storm water runoff, shoreline erosion, and controlling the spread of aquatic invasive species. Water access renewal projects included: Green Lake, City of Spicer in Kandiyohi County and Island Lake, Minnesota Power in St. Louis County. Additional projects include a new restroom for Crane Lake, Handberg Road in St. Louis County and repairs to the storm damaged walkway at Lake Superior, McQuade Road, St. Louis County.

- The Division of Enforcement trained 7,466 youth and adults in boating safety.
- Conservation Officers provided 19,773 hours of boating safety work on our lakes and rivers. This work includes safety checks, addressing illegal operation and search and rescue.
- Issued nearly 4,700 permits to lakeshore property owners to manage aquatic plants for access or reasonable recreational opportunity while protecting fish and wildlife habitat.
- The License Center issues all watercraft registrations and titles through a Web based ELS available from 175 registration agents (deputy registrars). Currently there are 819,988 boats registered statewide.
- Ecological and Water Resources continued to monitor water quantity statewide including

water levels on 959 lakes. About 800 citizens assisted in collecting and reporting lake water levels to the DNR in FY18. All lake level data are made available at the DNR Lake Finder website within two days of receipt and data entry.

- Surveyed 85 counties to assess shoreland administrative activities financed through Natural Resource Block Grants, and prepared a summary report to share the results with counties and DNR staff.
- Provided technical assistance, guidance, and web-based GIS layers and tools to aid local governments with: adopting/amending and administering shoreland, floodplain, LSCR, WSR, and MRCCA ordinances; updating MRCCA plans; forming Lake Improvement Districts, shoreland re-classification requests and discrepancies; and following up on annexations that involve shorelands and floodplains.

Additional Resources

[Strategic Conservation Agenda](#)

[Grants Outcomes](#)

[State Comprehensive Outdoor Recreation Plan](#)

[Minnesota State Parks Strategic Plan](#)

[Long range conservation plans and strategies](#)

