

## **Purposes of PILT: Excerpts from Newspaper Articles, 1978 and 1979**

“Representatives from a sizable chunk of northern Minnesota gathered here Thursday to urge passage of some type of ‘in lieu of taxes’ legislation. Their testimony reflected unanimous support of the reimbursement concept, but found few specifics on how to best handle the issue.

Testimony was given by county commissioners, land commissioners, a DNR employee and private individuals from Itasca, Aitkin, Lake of the Woods, Cass, Hubbard, Clearwater, St. Louis, Crow Wing and Beltrami counties.

It centered on a number of related issues, including land classification, the loss of public lands through lands sales, the need for land exchanges between the state and counties, the need for more personnel and equipment in land departments, the cost to local governments for services on public lands and the unfair tax burdens to residents in counties with large percentages of tax exempt lands.

Mostly, it was a cry for help – financial help.

‘County commissioners are under tremendous pressure to put it (tax-forfeited lands) back on the tax rolls,’ said Bemidji resident Cliff Miller. ‘I believe it’s to the benefit of the people to keep these lands. But with the pressures the commissioners are under, you need to give them a little help.’

‘About 50 percent of land in Clearwater County is publicly owned and can be freely used by people from all over the state. I think the rest of the state should help us to support it,’ said Clearwater County Commissioner Don McCollum.

‘When the state keeps the land, who pays the taxes?’ asked land developer Stan Petterson, Walker. ‘Cass County doesn’t get in lieu of taxes for these lands, the taxes on the other will get so high that you’ll get it back, too. You’ll soon own all of northern Minnesota.’

The need for additional funds to develop and manage tax forfeited lands was a concern expressed in much of the testimony.

‘The sale of this land (tax-forfeited land) is what keeps our land department going without taxing the people,’ said Cass County Commissioner Mahlon Swentkofske.”

[. . .]

‘We’re dependent on lands sales to operate our land department,” Clearwater County Land Commissioner Roger Kanton added, ‘We’re selling our capital assets.’”

### **Northern counties urge passage of ‘in lieu of taxes’ legislation, Bemidji Pioneer, May 12, 1978**

“‘We’ve got a slogan up north,’ says Sen. Gerald Willet, DFL-Park Rapids. ‘We’re tired of paying while others are playing.’

That was Willet’s answer to one of his fellow senators as the Senate Agriculture and Natural Resources Committee reviewed a ‘payment in lieu of taxes’ bill Tuesday. . . .

[. . .]

Willet said than not only did the public land hurt the tax base of the counties, but that residents had to maintain the land.

Sen. Bob Lessard, DFL-International Falls, defended the bill . . . .

Lessard pointed to the \$28 million being spent for Dutch elm disease, most of which goes to metropolitan areas.

‘Our counties got peanuts,’ he said. ‘This bill is a chance to say, ‘We understand the problems in your area.’”

**In lieu of taxes payments pass hurdle in committee, The Daily Journal, International Falls, March 28, 1979**

“A ‘payment in lieu of taxes’ bill ... passed the Senate Tax Committee Monday.

The bill’s author, Sen. Gerald Willet, DFL-Park Rapids, said he expects passage of the bill this year. He said there is support for the bill in the House, although some of the new representatives have trouble understanding how the bill works.

The purpose of ‘payment in lieu of taxes’ is to reimburse counties for the cost of helping to maintain state-owned land. Counties now receive no taxes for this land.

[...]

Willet said the bill will reduce opposition to state land holdings, lower the pressure on counties to sell lands, and improve the Department of Natural Resources’ public image.

Most of the money would be earmarked for property tax relief. Koochiching County, which would receive the second highest payment in the state, would get about \$400,000 for this purpose.

Another \$110,000 would go to a land fund. This money would be used for forest management, game and fish habitat improvement, and recreational development.

Improved forest management is especially needed in Minnesota, Willet said.

The rest of the money would go to the county’s general revenue fund.”

**‘Payment in lieu of taxes’ bill OK’d by panel, The Daily Journal, International Falls, May 1, 1979**

“The ‘payment in lieu of taxes’ bill has already reached the Senate floor, after receiving Tax Committee approval this week. That bill, which I ... authored will provide Minnesota counties and townships with state payments in lieu of taxes on tax-exempt, state natural resource lands within their boundaries.

Currently local governments across-the-state—and especially in Northern and North Central Minnesota—lose significant property tax revenues due to the presence of tax-exempt lands within their boundaries. And, local property owners end up paying higher property taxes to compensate for those lost revenues. My payment-in-lieu of taxes bill would spread the cost of maintaining lands for public use across-the-state—a much fairer approach which would be especially beneficial to District 4 residents.”

**Willet Senate Report, Senator Jerry Willet, Park Rapids Enterprise, May 5, 1979**

“Property owners in northeastern Minnesota—especially those in St. Louis County—can look forward to substantial tax cuts beyond those provided in the tax bill . . .

The legislature approved payments in lieu of taxes to counties and townships on acreage controlled by the Department of Natural Resources.

[. . .]

The money is to be used mainly for property tax relief and restrictions are placed on how it is to be spent, said Mike Robertson, aide to Sen. Jerry Willets [sic], DFL-Park Rapids, who authored the measure. . . .

Officials of northeastern Minnesota counties have complained for years that their tax base was eroding by the growing amount of land falling into public ownership. Willets [sic] has tried for five years to get a bill passed for in-lieu payments.

**Arrowhead winner in property tax cuts, Duluth News Tribune, May 23, 1979**

“Congratulations to the Minnesota Legislature – Northeastern Minnesota finally came out on the winning end of one of its tax programs.

In the waning hours of its regular session, the Legislature approved a payment-in-lieu of taxes law to reimburse all counties in the state for acreage within their bounds controlled by the Minnesota Department of Natural Resources. In the eight-county Arrowhead region, some \$2.76 million will be returned annually under the plan. . . .

The rationale for such payments, which will total \$4.6 million across the state, is simple yet truly equitable. State-held lands, often designated as parks or forest preserves and used expensively by citizens from throughout the state and nation, are now exempt from local governments’ taxing power. . . . Thus, county, city and township governments must tax the remaining private property at excessively high rates to raise needed tax revenues.

The Legislature has mandated that at least 40 percent of its in-lieu payments be used by counties to reduce property taxes. The remainder is to be divided between management of tax-forfeit lands, township governments and county general funds. Arrowhead taxpayers are thus guaranteed some remuneration for the large segments of their home which are owned and enjoyed by the public at large

This payment-in-lieu-of-taxes law is a praiseworthy move to spread the costs as well as the benefits of the state’s natural resources to all residents of the state.”

**Equitable land law (Editorial), Duluth News-Tribune, May 26, 1979**

“Koochiching County will receive well in excess of half a million dollars per year, following a ‘payment in lieu of taxes’ bill that passed the Minnesota Legislature last week, according to Rep. Irv Anderson, DFL-International Falls.

[. . .]

The formula calls for money to be appropriated in several areas – resource development, forest management, game and fish habitat improvement, and maintenance of county administration for other natural resource lands. Anderson introduced the amendment that gives \$35,000 to the county with no strings attached.

‘The main thrust is at property tax relief,’ Anderson said. ‘That was my desire.’”

**Payment in Lieu of Taxes Passes State Legislature, Littlefork Times, May 31, 1979**

“‘I am very pleased that the in-lieu of tax payments program has finally been enacted,’ Representative Nysether stated. ‘This policy is of crucial importance to northern Minnesota where about 90 percent of state-owned land is located.’”

[. . .]

‘The in-lieu-of-tax payments to counties in our area will result in a reduced local property tax burden,’ Nysether said. ‘Up until now, higher property taxes for private landowners have been required in order to offset the loss of revenue due to public land ownership,’ Nysether added.

Representative Nysether indicated that the new policy should largely correct what has been a very unfair situation.”

**County to get \$76,445 in pay for state-owned land, Roseau Times-Region, June 21, 1979**

“Koochiching County will receive its full allotment of aid in lieu of taxes for 1979, according to Rep. Irv Anderson.

[. . .]

The new legislation provides payments to replace taxes lost on land within the county owned by the Department of Natural Resources. Such tax-free land normally constitutes a burden which must be borne by local taxpayers without compensation.”

**County will receive full aid in lieu of taxes, Daily Journal, International Falls, Sept. 14, 1979**