



December 17, 2012

Senator Richard Cohen
121 State Capitol

Senator Rod Skoe
235 State Capitol

Representative Liz Holberg
349 State Office Building

Senator Bill Ingebrigtsen
143 State Office Building

Senator David Tomassoni
317 State Capitol

Representative Ann Lenczewski
509 State Office Building

Senator John Marty
323 State Capitol

Representative Lyndon Carlson
479 State Office Building

Representative Denny McNamara
350 State Office Building

Senator Julianne Ortman
119 State Office Building

Representative Greg Davids
283 State Office Building

Representative Jean Wagenius
449 State Office Building

Senator Claire Robling
226 State Capitol

Representative David Dill
571 State Office Building

Dear Senators and Representatives:

Enclosed please find a copy of the Payment in Lieu of Taxes for Natural Resource Lands study as required by 2011 Minnesota Laws, First Special Session, chapter 2, article 4, section 35 which states:

“By December 1, 2012, the commissioner of natural resources, in cooperation with the commissioners of revenue and management and budget, and stakeholders, including representatives from affected local units of government and other interested parties, shall report to the chairs and ranking minority caucus members of the senate and house of representatives natural resources and tax policy and finance committees with recommended changes to payment in lieu of taxes for natural resource lands under Minnesota Statutes, sections 97A.061 and 477A.11 to 477A.145. The report shall include an analysis of the current payment and distribution system and any recommended changes to:

- (1) the purpose of the payment system and the criteria for payments;
- (2) the rate of payments for specific classes of natural resource lands;
- (3) the adequacy of current funding for payments and the impact of additional land acquisition on the funding;
- (4) alternative methods of reimbursing local units of governments for state natural resource lands; and
- (5) the formula for distribution of the payments to local units of government

Please contact Bob Meier at 651-259-5024 or bob.meier@state.mn.us with any questions you may have about the study or to schedule a briefing.

Sincerely,

Tom Landwehr
DNR Commissioner

James Schowalter
MMB Commissioner

Myron Frans
Revenue Commissioner

Enclosure