

Koochiching County Consolidated Conservation Acreage and DNR Management Units

Update on Con-Con law changes

The 2000 Legislature made several important changes in how Consolidated Conservation (Con-Con) lands will be managed in the future, and how payments in lieu of taxes (PILT) will be made to counties.

New management unit designations

The 2000 Con-Con bill designated all but 102,000 acres of Con-Con land (located in Beltrami, Marshall and Roseau counties) into management units. Recommendations on the remaining 102,000 will be made by the Department as part of a public input process. Recommendations will be made to the Legislature in January, 2001, on the disposition of these lands. All further designations based on these recommendations will be acted on by the 2001 Legislature.

New payment levels

This bill also changes the payment category of Con-Con land within state parks, wildlife management areas, and scientific and natural areas such that the PILT on Con-Con land will be the same as for DNR "acquired" land. Con-Con land under State Forest management will have a PILT rate of about \$.44 per acre (\$.375 with an projected inflation adjustment).

Previously, the payment amount for "acquired" land was \$3 per acre as compared with \$.375 for Con-Con land. As of 2001, as a result of changes in the Omnibus Tax Bill, land under "acquired" status will receive the \$3 plus an inflation factor. In the first payment year, that amount will rise to about \$3.54 per acre, depending on the inflation rate. In the future, the payment level will be tied to the "implicit price deflator" which is an index of state and local government spending. This inflation factor will be adjusted annually.

Increases in PILT funding for Con-Con counties

There will be a significant increase in payments to counties which contain Con-Con land. Koochiching County's gross PILT payment will increase from \$629,374 (paid in 1999) to a projected \$784,037 (to be paid in 2001). A large part of the increase comes from the increases in per acre payments on tax-forfeited and other DNR managed lands. Con-Con land (outside the indicated management units) and Trust land, which was paid at \$.375/acre, will now be paid at \$.44/acre; and tax-forfeited land, which was paid at \$.75/acre, will now be paid at \$.885/acre. The payment on these lands will increase from \$623,303 in 1999 to 728,970 in 2001.

A small part of this increase is due to the increase in payments on Con-Con land (within the indicated DNR management units) from \$.375/acre in the past to about \$3.54/acre in 2000. This results in an increase in the DNR "acquired" payment from \$6,071 in 1999 to a projected payment of \$55,067 in 2001.