

Minnesota Payments in Lieu of Taxes (PILT) Overview

What is PILT? PILT is a local government aid payment made by the state to the counties for tax-exempt natural resources lands. Payments are distributed among the counties, townships and, in some instances, school districts. All payments are made from the general fund.

Which natural resources lands are eligible for PILT? Under current law, payments are made for the following natural resources lands:

- All lands held by the state in fee title and administered by the commissioner of natural resources
- Land utilization project (LUP) land owned by the United States, leased by the state and managed by the DNR for wildlife
- Tax-forfeited lands, other than platted lots within a city, administered by counties
- Land acquired by the state from private owners and administered by the Department of Transportation for the purpose of replacing wetland losses caused by transportation projects (transportation wetland)
- Camp Ripley Game Refuge administered by the Department of Military Affairs (military refuge land)

Which laws govern PILT? The PILT provisions in Minnesota Statutes are:

- Minn. Stat. § 477A.10 - 477A.14
- Minn. Stat. § 477A.17 (applies only to Lake Vermilion-Soudan Underground Mine State Park; sets forth payment rate and allocation of payments)
- Minn. Stat. § 477A.12. subd. 1(8) addresses ditch assessments on Consolidated Conservation Land, payable to applicable counties on a prorated basis

How are payments determined? Rates are set forth in statute and payments depend on how the land is classified.

- The highest rate (1.5% of the appraised value) is paid for Lake Vermilion-Soudan Underground Mine State Park
- “Wildlife management land” (i.e., land acquired from a private owner for wildlife management purposes and

actually used as a wildlife management area) is paid at the greater of \$5.133/acre or $\frac{3}{4}$ of 1% of the appraised value of all wildlife management land within the county

- “Acquired natural resources land” is paid at the greater of \$5.133/acre or $\frac{3}{4}$ of 1% of the appraised value of all acquired natural resources land within the county. “Acquired natural resources land” includes land, other than wildlife management land, that was in private ownership at the time of acquisition by the state and consolidated conservation lands that are designated as state parks, state recreation areas, scientific and natural areas or wildlife management areas
- Transportation wetland acres are paid at the greater of \$5.133/acre or $\frac{3}{4}$ of 1% of the appraised value of all transportation wetland within the county – (Polk is the only county with Transportation wetland payments)
- LUP land payments are \$5.133/acre
- Military game refuge payments are \$2.5665/acre
- County-administered tax-forfeited land and DNR-administered other lands receive payments at the rate of \$3.00/acre

How is PILT distributed? There are three general PILT distribution systems:

- Payments for wildlife management lands and military game refuge lands are distributed among counties, townships and school districts as if they were property taxes on the land
- Payments for Lake Vermilion- Soudan Underground State Park are distributed 1/3 each to the county, township and school district
- All other payments are distributed among counties and townships per a formula set forth in Minn. Stat. § 477A.14

FY23 PILT (Paid July 2024) "At a Glance"

Natural Resources Land Type	Statutory Authority	Payment Rate	Total FY23 Acres	% of Total Acres	Total FY19 Payment	% of Total Payment
Acquired Natural Resources	M.S. § 477A.12, subd. 1(1)	The greater of \$5.133/acre or ¾ of 1% of appraised value of all acquired natural resources land in the county	1,026,597	12	\$13,997,191	29
Transportation wetland	M.S. § 477A.12, subd. 1(2)	The greater of \$5.133/acre or ¾ of 1% of appraised value of all transportation wetland in the county	1,825	<1	\$9,368	2
Wildlife management land	M.S. § 477A.12, subd. 1(3)	The greater of \$5.133/acre or ¾ of 1% of appraised value of all wildlife management land in the county	506,158	6	\$10,857,153	23
Military refuge land	M.S. § 477A.12, subd. 1(4)	\$2.5665/acre	50,626	1	\$129,932	<1
County-admin. other	M.S. § 477A.12, subd. 1(5)	\$3.00/acre	2,780,475	33	\$8,341,424	17
LUP	M.S. § 477A.12, subd. 1(6)	\$5.133/acre	86,265	1	\$442,799	1
DNR-admin. other	M.S. § 477A.12, subd. 1(7)	\$3.00/acre	4,095,428	48	\$12,286,285	25
Vermilion/Soudan	M.S. § 477A.17	1.5% of the appraised value of the land	4,128	<1	\$481,002	1
Additional public lands payment 0.18 cents/acre	M.S. § 477A.12, subd. 1(8)	0.18 x total number of acres in county eligible for PILT if equal or greater than 25% of total county acreage	13 counties	-	\$1,257,679	1
Additional public lands payment 0.8 cents/acre	M.S. § 477A.12, subd. 1(9)	0.08 x total number of acres in county eligible for PILT if equal or greater than 10% of total county acreage, but less than 25%	9 counties	-	\$71,711	<1
PILT Totals			8,547,375	100	\$48,174,544	100
Ditch Assessments on Con-Con Lands	M.S. § 477A.12, subd.1(8)	\$300,000 per year prorated to counties			\$300,000	

Links to Additional Information

PILT Report Commissioners' Advisory Group

<http://www.dnr.state.mn.us/aboutdnr/legislativeinfo/pilt/index.html>

Payment in Lieu of Taxes Report to the Legislature

Minnesota Department of Natural Resources, December 1, 2012

http://files.dnr.state.mn.us/aboutdnr/reports/legislative/2012_pilt_report.pdf

Office of the Minnesota Revisor of Statutes:

PILT statutes

<https://www.revisor.mn.gov/statutes/?id=477A.10>

<https://www.revisor.mn.gov/statutes/?id=477A.11>

<https://www.revisor.mn.gov/statutes/?id=477A.12>

<https://www.revisor.mn.gov/statutes/?id=477A.13>

<https://www.revisor.mn.gov/statutes/?id=477A.14>

<https://www.revisor.mn.gov/statutes/?id=477A.17>

Minnesota Department of Revenue PILT web page:

http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/pilt.aspx

Contact Information

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