

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.

PILT Land Types and Payment Rates

Acquired Land: There are two types of acquired land that receive PILT

- 1) **Wildlife Management Land (WML)** is land administered by the DNR that was acquired in fee title from private owners by purchase, condemnation, or gift for wildlife management purposes and is used as a wildlife management area.

The payment rate for Wildlife Management Land is the greater of \$5.1330 per acre or $\frac{3}{4}$ of 1% of the appraised value of all wildlife land in the county.

- 2) **Acquired Natural Resources Land (Natural Resources Land and Consolidated Conservation)** includes

- a) Land, other than wildlife management land, administered by the DNR that the state acquired by purchase, condemnation, or gift which was privately owned when the state acquired it. Many of the lands have been designated as state parks, scientific natural areas, aquatic management areas, state forests, state recreation areas, state trails, ATV trails, and water access sites.
- b) Consolidated conservation (con-con) land designated as state parks, state recreation areas, scientific and natural areas, or wildlife management areas. Con-con lands are lands that forfeited for non-payment of taxes in identified areas in seven counties. In return for relieving counties of bond debts for drainage ditches, the state took title to these lands.

The payment rate for Acquired Natural Resources Land is the greater of \$5.133 per acre or $\frac{3}{4}$ of 1% of the appraised value of all acquired natural resource land in the county.

DNR-Administered Other Natural Resources Land (AOL): These are all lands owned in fee title by the state and administered by the DNR other than those defined as “Wildlife Administered Land” or “Acquired Natural Resources Land”. These lands were not on the tax rolls when they were acquired by the state. They include school trust lands, university trust lands, con-con lands not designated as state parks, state recreation areas, scientific and natural areas, or wildlife management areas, and miscellaneous other types of land.

The payment rate for DNR-administered other natural resources land is \$3.0000 per acre.

County-Administered Other Natural Resources Land: These lands are tax-forfeited lands other than platted lots within a city.

The payment rate for county-administered other natural resources lands is \$3.0000 per acre.

Land Utilization Project Land (LUP): LUP lands are owned by the federal government, leased by the DNR, and managed for wildlife.

The payment rate for LUP lands is \$5.1330 per acre.

Transportation Wetland: This is land purchased by the state to replace wetland losses from transportation projects. The land is administered by the Department of Transportation. There must be over 500 acres of transportation wetland in a county for the county to receive PILT for the land.

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)

Military Refuge Land: This is land owned by the Minnesota Department of Military Affairs for military purposes and is designated as a state game refuge. Military game refuge payments are \$2.5665/acre

Vermilion-Soudan State Park (VSP) and Vermilion-Soudan State Park - Granelda Unit: This park has a special PILT rate of 1.5% of the appraised value of the land within the park. This is the highest rate paid.

Additional PILT Payment Information:

- 1) A new payment based upon the percentage of PILT Natural Resource Land acreage to the total county acreage has been created. Depending on the percentage a different rate amount may be applied:
 - a) Greater than or equal to 25% has a payment rate of \$0.18 per acre.
 - b) Greater than or equal to 10%, but less than 25%, has a payment rate of \$0.08 per acre.
 - c) These acreages do not include Lake Vermillion/Soudan Underground Mine lands or Ditch Assessments of State-Owned Lands in Consolidated Conservation (Con-Con) Areas
- 2) The appraised value of PILT natural resource lands shall not be reduced below their AY2022 appraised values or subsequent appraised values, if higher.
 - a) Lake Vermillion/Soudan Underground Mine lands remain set at AY2010 and AY2021 for the Granelda Unit.
- 3) The Minnesota Department of Revenue will annually adjust PILT payment amounts by a cost-of-living adjustment as provided in M.S. 270C.22, Subd. 1 each payment year after August 31st, 2024. These amounts will be rounded to the nearest tenth of a cent.
 - a) Lake Vermillion/Soudan Underground Mine lands payment amounts are excluded.
 - b) Further calculation information will be available in the instructions for next year.

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

FY25 PILT (Paid July 2026) "At a Glance"

Natural Resources Land Type	Statutory Authority	Payment Rate with Cost-of-Living Adjustment	Total FY25 Acres	% of Total Acres	Total FY25 Payment	% of Total Payment
Acquired Natural Resources	M.S. § 477A.12, subd. 1(1)	The greater of \$5.402/acre or ¾ of 1% of appraised value of all acquired natural resources land in the county	1,031,416	12	\$14,221,544	28
Transportation wetland	M.S. § 477A.12, subd. 1(2)	The greater of \$5.402/acre or ¾ of 1% of appraised value of all transportation wetland in the county	1,825	<1	\$9,859	<1
Wildlife management land	M.S. § 477A.12, subd. 1(3)	The greater of \$5.402/acre or ¾ of 1% of appraised value of all wildlife management land in the county	517,299	6	\$11,343,869	23
Military refuge land	M.S. § 477A.12, subd. 1(4)	\$2.701/acre	50,626	1	\$136,741	<1
County-admin. other	M.S. § 477A.12, subd. 1(5)	\$3.157/acre	2,775,258	32	\$8,761,489	17
LUP	M.S. § 477A.12, subd. 1(6)	\$5.402/acre	86,265	1	\$466,005	1
DNR-admin. other	M.S. § 477A.12, subd. 1(7)	\$3.157/acre	4,093,288	48	\$12,922,511	26
Vermilion/Soudan	M.S. § 477A.17	1.5% of the appraised value of the land	4,132	<1	\$478,971	1
Vermilion/Soudan Granelda Unit	M.S. § 477A.17	1.5% of the appraised value of the land	473	<1	\$8,898	<1
Additional public lands payment 0.18 cents/acre	M.S. § 477A.12, subd. 1(8)	0.189 x total number of acres in county eligible for PILT if equal or greater than 25% of total county acreage	12 counties	-	\$1,320,921	1
Additional public lands payment 0.8 cents/acre	M.S. § 477A.12, subd. 1(9)	0.084 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	-	\$75,125	<1
PILT Totals			8,559,977	100	\$50,061,612	100
Ditch Assessments on Con-Con Lands	M.S. § 477A.12, subd.1(8)	\$308,657.03 per year prorated to counties			\$315,679	

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

https://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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