



State Highlights in Conservation: Minnesota

Profile of State Program(s)

Minnesota Department of Natural Resources: The Department of Natural Resources uses state capital bond funds, federal grants, licenses, fees, private donations, Environment and Natural Resource Trust Fund proceeds, and general fund allocations to acquire land and conservation easements for Aquatic Management Areas, Scientific and Natural Areas, State Parks, Wildlife Management Areas, Native Prairie Bank, State Recreation Areas, State Forests, Forest Legacy conservation easements, State Trails, and Water Access.

The Department of Natural Resources administers four grants programs for land acquisition by local governments to implement the State Comprehensive Outdoor Recreation Plan (SCORP). Private organizations are not eligible. Revenue has been provided through state bonding, Minnesota Environment and Natural Resources Trust Fund proceeds, Future Resources Fund, and the federal Land and Water Conservation Fund.

1) Regional Park Grants: To accelerate protection and development of larger, regionally significant parks outside the Twin Cities metropolitan area, the legislature expanded the outdoor recreation program, set aside \$500,000 in bonding in 2000, and decreased the non-state match to 40%. The eligible project types are similar to outdoor recreation grants, but tend to be larger.

2) Outdoor Recreation Grants: The program's purpose is to increase and enhance outdoor recreation facilities in partnership with local governments. Projects funded through this program include park acquisition and/or development/redevelopment, including internal park trails, picnic shelters, playgrounds, athletic facilities, boat accesses, fishing piers, swimming beaches and campgrounds. A 50% non-state match is required.

3) Natural and Scenic Area Grants: The Natural and Scenic Areas Program provides 50% matching grants to local governments, including school districts, to increase, protect and enhance natural and scenic areas statewide.

4) Remediation Fund Grants: These land conservation grants were targeted to communities in watersheds with a history of pollution. Funding originated from the

Minnesota Pollution Control Agency legal and insurance settlements.

Metropolitan Council: The Metropolitan Council, the planning agency serving the Twin Cities seven-county metropolitan area, works with ten regional park implementing agencies – six counties, two cities, and two park districts – to award grants to finance land acquisition and development of the parks system, among other essential regional services. The Metro Parks and Open Space Commission, with seven appointed citizen members, recommends policies and funding allocations to the full council. Some grants for land acquisition only partially finance the acquisition cost. Funds for Council grants include a combination of regional bonds issued by the Council, state bonds, user fees for wastewater treatment and transit service, a seven-county property tax, and interest earnings.

The Metropolitan Council has authority to use part of its levy for up to \$40M for land protection. It typically does not bond to its full capacity because as a policy, it requires a 60% match from other sources including state bonding (roughly \$4M/year for 10-year average), Environment and Natural Resources Trust Fund, and local sources, and frequently the legislature does not provide the full match or the Met Council decides not to increase its levy to use the full amount. In addition to the Capital Improvement Program, the Met Council has created an emergency acquisition category for land acquisition projects bringing 60% non-regional funds, which can later be reimbursed in part with state match. This fund has received less than \$2M in a biennium.

Reinvest in Minnesota Reserve Program: Initiated in 1986, the Reinvest in Minnesota (RIM) Reserve Program is one of the first of its kind in the country, and it remains the primary land acquisition program for state-held conservation easements in Minnesota. It is managed by the Minnesota Board of Water and Soil Resources (BWSR), with the mission to protect and improve water quality, reduce soil erosion, and enhance fish and wildlife habitat. The majority of funding is provided through the sale of state bonds, with smaller amounts from state lottery proceeds and federal North American Wetland Conservation Act (NAWCA) grants through the US Fish and Wildlife Service.

BWSR acquires permanent easements, on behalf of the state, to protect and manage critical natural resources. The landowners continue to own the underlying fee, and are paid a percentage of the assessed value on their land. Public access is not required on these lands. After the land is enrolled, it is managed under a conservation plan, which generally includes wetland restoration, native grass plantings, and tree plantings. RIM Reserve is implemented in cooperation with county Soil and Water Conservation Districts, the USDA's Farm Service Agency, the Natural Resources Conservation Service, non-profit conservation groups, and other state and federal agencies.

The state Board of Water and Soil Resources also uses state capital bond funds and federal grants to protect land, largely for surface water quality improvement. The agency distributes funding to county soil and water conservation districts and watershed organizations to create, restore or protect wetlands and protect or restore lake and stream shorelines.

Minnesota Future Resources Fund: The Minnesota Future Resources Fund used cigarette tax revenue to fund natural resource conservation, including land acquisition, though the primary focus was park and trail development. Although the funding was shifted to other purposes in 2003, the authority for the program remains in statute.

Minnesota Environment and Natural Resources Trust Fund: The Minnesota Environment and Natural Resources Trust Fund (ENRTF) was created by a voter-approved constitutional amendment in 1988, with the purpose of providing a long-term, stable source of funding for activities that protect, conserve, preserve, and enhance Minnesota's "air, water, land, fish, wildlife, and other natural resources" for the benefit of current citizens and future generations. The program, funded by Minnesota State Lottery proceeds and investment income, is overseen by the Legislative Citizen Commission on Minnesota Resources (LCCMR), which makes annual funding recommendations to the legislature.

Eligibility is broad; grantees have included private and public organizations and academic institutions. Once the LCCMR makes its recommendations, two of its members, one from the House and one from the Senate, serve as chief authors of the bill. At any point in the traditional bill hearing and approval process, amendments to the bill can be introduced and potentially adopted (by majority vote). After legislative approval, the governor may line item veto projects, similar to capital investment or other funding bills.

Metro Greenways Program: The Metro Greenways program, established by 1998 Legislative action, aims to protect, restore, connect and manage a metro-wide network of regionally and locally significant natural

areas and open spaces interconnected by ecological corridors in the Twin Cities Metropolitan Area and adjacent counties. This land network improves water quality and ecosystem functions, sustains ecological diversity, and provides additional wildlife habitat. The Department of Natural Resources administers the Metro Greenways program with advice from an advisory group. Funding comes from a combination of state bonding and the Environmental and Natural Resources Trust Fund. The program partners with local, state, federal and private agencies and funding sources to protect significant natural areas from unplanned growth. Eligibility is broader than other state grant programs, with private entities and state agencies potential conservation partners. In addition, program staff also provide technical help to local governments and work with communities to inventory natural resources and develop stewardship plans.

The Metro Greenways land acquisition figures are included in the LCCMR land protection summary.

In the Twin Cities Metropolitan Area, the program aims to successfully protect, restore, connect and manage a metro-wide network of regionally and locally significant natural areas and open spaces interconnected by ecological corridors. This land network improves water quality and ecosystem functions, sustains ecological diversity, and provides additional wildlife habitat.

Substantial State Investment

Clean Water, Land and Legacy Amendment: In November 2008, Minnesota voters approved the Clean Water, Land and Legacy Amendment, which dedicated a sales tax increase of 3/8 percent (0.375) to clean water, natural areas, parks, arts education and history. At the time of its passage, it was the largest conservation finance ballot measure in American history. The total conservation funding over 25 years is an estimated \$5.5 billion or about \$220 million annually. For conservation, three funds were established for the legislature and governor to appropriate: 33 percent to a clean water fund, with 5 percent of that money for groundwater source protection; 33 percent to an outdoor heritage fund; and 14.25 percent to a parks and trails fund. The remaining 19.85 percent supports an arts and cultural heritage fund. More detail about the funds is provided below.

Outdoor Heritage Fund: Funds may be spent only "to restore, protect, and enhance wetlands, prairies, forest and habitat for fish, game, and wildlife." The legislature estimates that \$80 million will be made available for appropriation by the legislature annually. The Lessard – Sams Outdoor Heritage Council (LSOHC) provides annual recommendations to the legislature on how Outdoor Heritage Funds should be used.

Between 2009 and June 2015, the program has acquired more than 268,000 acres and expended more than \$230 million through both fee and easement purchases. A portion of the appropriated funding is made available through a small grants program administered by the Minnesota Department of Natural Resources.

Clean Water Fund: These funds may only be spent to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation. Between 2011 and 2015, this fund spent nearly \$15 million on land acquisition.

Parks & Trails Fund: These funds may only be spent to support parks and trails of regional or statewide significance. The Greater Minnesota Regional Parks and Trails Commission provides recommendations to the legislature for grants funded by the parks and trails fund to counties and cities outside the seven-county metropolitan area. Land acquisitions made through the Parks and Trails fund will acquire within the boundaries of state parks and within state trail corridors. Between 2012 and 2016, the Fund supported more than \$7.3 million in land acquisition projects.

Environment and Natural Resources Trust Fund: In November 1988, Minnesota voters passed a constitutional amendment that permanently established the Environment and Natural Resources Trust Fund. The Trust Fund supports projects with the public purpose of protection, conservation, preservation, and enhancement of the state's air, water land, fish, wildlife, and other natural resources." The Trust Fund receives support through lottery proceeds for land conservation. In November 1990, voters approved dedication of 40 percent of net lottery proceeds to the Trust Fund through December 2000. In 1998, voters passed another constitutional amendment extending the dedication through December 2024. Funds may also be generated through private donations. Once deposited into the Trust Fund, contributions become part of the balance and are invested in a combination of stocks and bonds. The income generated from these investments is reinvested back into the Trust Fund.

Trust Fund proceeds are appropriated to individual projects by the Minnesota legislature, based upon recommendations of the Legislative-Citizen Commission on Minnesota Resources (LCCMR). LCCMR members review, evaluate, and rank all submitted proposals and the Commission as a whole then decides upon a selection of proposals to recommend for funding.

Between 1991 and 2015, the Minnesota legislature has appropriated nearly \$475 million from the Trust Fund to over 950 projects across the state.

Other Legislative Capital Appropriations: The legislature and governor approve capital budget projects in each biennium, which include bonds for land acquisition. Since 2000, more than \$30 million in bond

funds has been appropriated to the Minnesota Department of Natural Resources for land acquisition.

Reinvest in Minnesota: The Reinvest in Minnesota (RIM) conservation easement program permanently protects habitat and water resources. It is primarily funded through legislative bonding, the Clean Water Fund, and Outdoor Heritage Fund. It is also funded by donations from individuals matched by state funds, including license plate revenues. Vehicle owners may choose to purchase critical habitat license plates to benefit the RIM Critical Habitat Program.

Other Sources of Funding: Hunting and fishing licenses and park and other fees are collected in the Game and Fish Fund and the Natural Resources Fund. Both of these funds can support land protection. A citizen oversight committee helps the Department of Natural Resources manage the Game and Fish Fund.

Previous Sources of Funding: Between 1963 and 2003, The Minnesota Future Resource Fund, which received cigarette tax revenue, funded natural resource conservation, as well as park and trail development. This 2 cent per pack cigarette tax yield approximately \$13-16 million per biennium. While the funding was shifted to the state General Fund in 2003, the authority for this program remains in statute.

State Incentive for Local Conservation Funding

The new Clean Water, Land and Legacy funds will include some state incentives for local conservation. Already defined in statute, the Outdoor Heritage fund must include a matching grant program for local, regional, state or federal organizations. Advocates anticipate that the other funds will also include a matching grant component.

Regional Park Grant Program started in 2000 and provides matching grants to public regional park organizations outside the seven county metropolitan area for up to 60 percent of the cost of acquisition, development and/or redevelopment costs of regional parks. Eligible projects include, park acquisition and/or development/redevelopment of regional park facilities including, internal park trails.

The Outdoor Recreation Grants Program provides matching grants to local units of government for up to 50 percent of the cost of acquisition, development and/or redevelopment costs of local parks and recreation areas. Eligible applicants are cities, counties, townships and recognized tribal governments.

The Metropolitan Council's Park Acquisition Opportunity Fund Grants may finance up to 40 percent of the fair market value of the parcel and related acquisition costs. The remaining 60 percent match can be provided by the park agency in cash, or other matching funds such as a watershed district grant, or the land

seller can reduce the sale price of the parcel by 60 percent.

Natural and Scenic Area Program was established to increase, protect and enhance natural and scenic areas. It provides matching grants to local units of government for up to 50 percent of the cost of acquisition of natural and scenic areas. A maximum of 50 percent of the total eligible project costs not to exceed a maximum grant of \$500,000. Costs must be incurred and paid for before reimbursement can be made. Project proposals must have a total project cost of at least \$10,000.

Public-Private Partnerships

Metro Greenways Program was established to protect, connect, restore and manage a regional network of natural areas, parks and other open spaces interconnected by ecological corridors in the seven county metropolitan region through collaborative public/private partnership. Nominations by individuals, nonprofit organizations, and public agencies are reviewed annually by an advisory committee. A variety of land conservation programs strategies, including donation, grants, conservation easements, and fee title acquisition are considered. In most instances, sites with significant financial involvement by other participants receive higher consideration.

The Minnesota Habitat Conservation Partnership was formed and funded by the 2001 Minnesota Legislature, as recommended by the Legislative Citizen Commission on Minnesota Resources, to work to restore fragmented landscapes and connect high quality habitat for sustaining fish, wildlife and plant populations. Funding is provided by the Environment and Natural Resources Trust Fund and participating partners. The partnership provides for a statewide coordination of existing federal, state, and private land and water conservation programs. The Partnership is one of the largest and most unique conservation collaborations in the country. Member organizations include:

- Ducks Unlimited
- Fond du Lac Reservation
- Friends of the Detroit Lakes Wetlands Management District
- Leech Lake Band of Ojibwe
- Minnesota Board of Water and Soil Resources
- Minnesota Deer Hunters Association
- Minnesota Department of Natural Resources
- Minnesota Land Trust
- Minnesota Valley National Wildlife Refuge Trust, Inc.
- National Wild Turkey Federation
- Pheasants Forever
- Red Lake Band of Chippewa
- The Nature Conservancy

- The Trust for Public Land
- U.S. Fish and Wildlife Service
- U.S. Natural Resources Conservation Service

The Metro Wildlife Corridors is a collaborative of public and non-profit organizations. The collaborative works to acquire and restore a network of regionally significant habitat for fish, wildlife, and native plant communities in the Twin Cities Metropolitan Area for present and future generations.

Local Financing Enabled

In order to raise revenue to acquire land for parks and open space, local governments in Minnesota have the authority to use general obligation bonds, to increase property taxes to bond for open space, to require park dedication fees by developers, and in some cases, increase the local sales tax. Most counties and municipalities in Minnesota that choose to dedicate funds use general obligation bonds, both voter and non-voter approved, and park dedication fees to fund land acquisition.

A local sales tax could potentially generate substantial revenues for parks and land conservation. However, state law prohibits the imposition of any local sales tax without specific legislative authorization. Very few of Minnesota's local governments have been granted authority to levy a local sales tax. Before seeking legislative approval, the governing body (city council, county or township board) must adopt a resolution in support of the tax. In some cases, the community has passed a local ballot measure before requesting state legislative approval. Approval of the new statewide sales tax for clean water, land and legacy may impact communities' decisions concerning the sales tax option.

Local Programs Included

No county-level conservation finance measures have been approved by voters in Minnesota. For more information on municipal measures in the state, visit www.landvote.org.

Federal Partnerships

Federal agencies and programs that have conserved land in Minnesota include:

- U.S. Fish and Wildlife Service
- U.S. Fish and Wildlife Service – North American Wetlands Conservation Act (NAWCA)
- U.S. Forest Service
- U.S. Forest Service – Forest Legacy Program (FLP)
- U.S. National Park Service
- U.S. Natural Resources Conservation Service – Farm and Ranch Lands Protection Program (FRPP)



The Trust for Public Land creates parks and protects land for people, ensuring healthy, livable communities for generations to come.

The Conservation Almanac

A comprehensive database of land conservation and public conservation funding in America, the Conservation Almanac provides a context for assessing impacts of conservation and the growing conservation finance movement. The Almanac offers information on public dollars spent and acres conserved, details on local, state, and federal conservation programs, and geospatial mapping of conserved land.

Almanac data collection efforts focus on land conserved using public dollars; contributions funded by private and non-governmental organizations are not tracked comprehensively. Federal data is complete from 1998-2017. State and local data is complete from 1998-2005. In the tables and charts below, acres are allocated to each program proportionate to the size of the contributions to each acquisition. For example, if an acquisition had two contributions, and each program contributed equal dollar amounts, each program receives 50% of the acres. If you have questions or want to provide updated information, please contact Jessica Welch at jessica.welch@tpl.org.

www.tpl.org

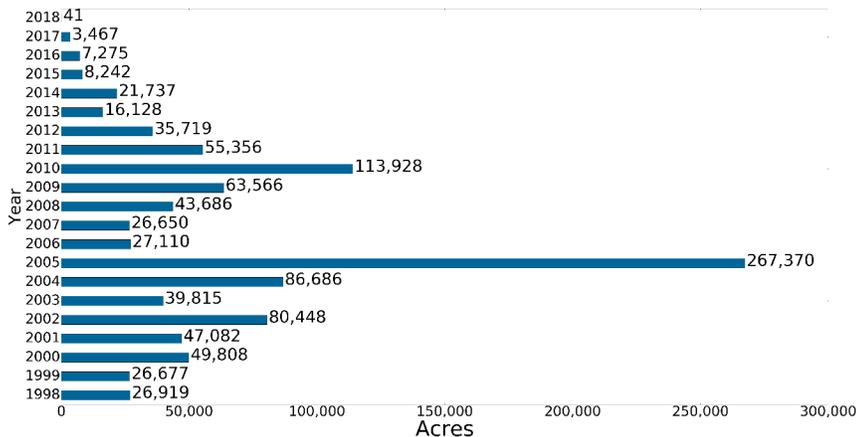
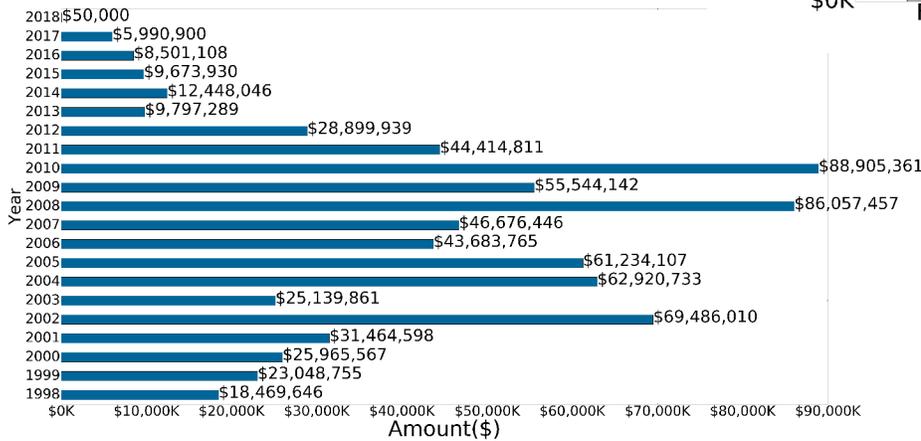
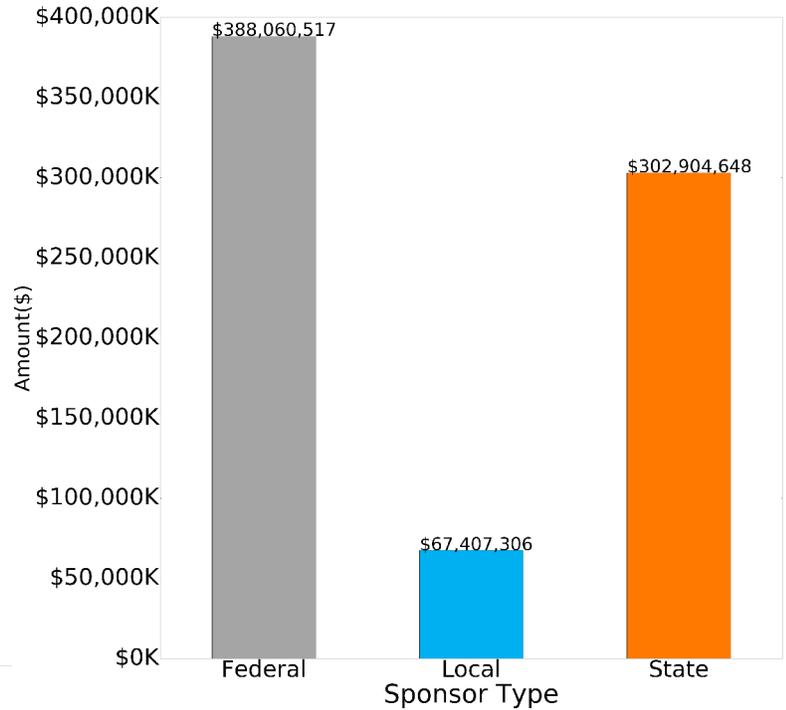
www.conservationalmanac.org

State Conservation Report Minnesota



CONSERVATION ALMANAC
Tracking Investments in Protected Lands

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The data in the Conservation Almanac track the impacts of public spending on land conservation. Created by The Trust for Public Land, the Conservation Almanac brings those data together along with state policy profiles, current conservation finance news, and an interactive map, to provide a powerful online tool.