SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 1262

(SENATE AUTHORS: EICHORN, Farnsworth and Hauschild)

DATE	D-PG	OFFICIAL STATUS
02/13/2025	365	Introduction and first reading Referred to Environment, Climate, and Legacy

A bill for an act

relating to natural resources; requiring a report on payment in lieu of taxes on natural resource lands.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **PAYMENT IN LIEU OF TAXES ON NATURAL RESOURCE LANDS; REPORT.**

By December 1, 2026, 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, must report to the chairs and ranking minority members of the legislative committees with jurisdiction over natural resources and tax policy and finance with recommended changes to payment in lieu of taxes for natural resource lands under Minnesota Statutes, sections 477A.11 to 477A.14. The report must include an analysis of the current payment and distribution system and any recommended changes, including an analysis of the:

(1) rate of payments for specific classes of natural resource lands;

(2) adequacy of payments to local units of government to offset the tax revenue that would have been collected if the lands were in private ownership; and

(3) current funding for payments and the impact of additional land acquisition on the funding.