
Natural Resources Fund

Fiscal Year 2022-23 Biennial Report

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Introduction

This report outlines general information about the Natural Resource Fund including its history, funding structure, and overview of revenues and expenditures. It concludes with detailed information about each of the accounts including brief overviews, sources and uses of the funds, account forecast analysis, FY2022-23 accomplishments, and links to additional resources.

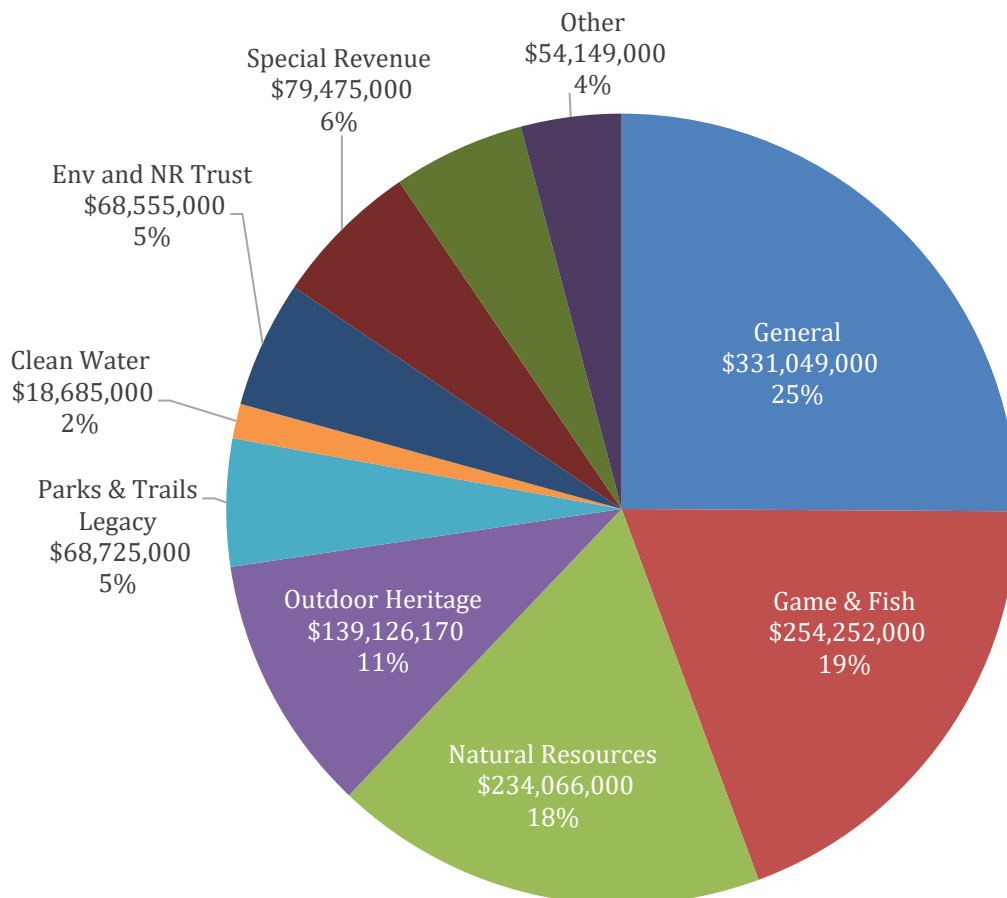
Creation and Purpose of the Fund

The Legislature created the Natural Resources Fund (NR) in the state treasury in 1989 as a Special Revenue Fund for deposit of certain receipts from fees and services associated with natural resource management by the state. (M.S. 16A.53, subd. 2) Special Revenue Funds are dedicated to a variety of purposes specified in the legislation. The Department of Natural Resources (DNR) is the primary user of the fund. In general, fees collected for certain activities are used for operations of our programs, maintenance and development of our statewide natural resources and recreations systems. Revenues also support the enforcement of the state's natural resource laws related to the activities funded through the NR fund.

Natural Resources Fund within the DNR's Funding Structure

The DNR's total budget for FY2022-23 was \$1.3 billion, of which the Natural Resources Fund represented 18 percent (\$234.1 million).

FY22-23 Budgeted Expenditures by Fund
\$1,319,202,170



Accounts in the Natural Resources Fund

The Natural Resources Fund is made up of accounts dedicated for a specific purpose. These accounts are broken down separately in this report and also briefly described on the next two pages along with other activities or programs that are supported by multiple accounts within the fund (Electronic Licensing System and Conservation Corps Minnesota):

Sources and Uses of the Natural Resources Fund Accounts

Account Name	Sources and Uses of the Account Funding
All-Terrain Vehicle Account (ATV)	<ul style="list-style-type: none"> Revenues include fees from registration of all-terrain vehicles, non-resident state trail passes, unrefunded gasoline taxes, and ATV safety training fees. Funds pay for acquisition, maintenance, and development of ATV trails and enforcement activities. (M.S. 84.927).
Cross-Country Ski Account	<ul style="list-style-type: none"> Revenues include fees from cross-country ski passes. Funds pay for grants-in-aid for cross-country ski trails sponsored by local units of government and special park districts. (M.S. 85.43)
Forest Management Investment Account (FMIA)	<ul style="list-style-type: none"> Revenues include timber sales from consolidated conservation area lands and state forest lands. Funds pay for reforestation and timber stand improvement including forest pest management, timber sales administration and costs, and state forest road maintenance. (M.S. 89.039, 89.035)
Invasive Species Account	<ul style="list-style-type: none"> Revenues include surcharges on watercraft licenses, non-resident fishing licenses, and civil penalties for violations, and service provider permits. Funds pay for management of invasive species programs including control, public awareness, law enforcement, assessment, monitoring, management planning, and research. (M.S. 84D.15)
Land Acquisition Account	<ul style="list-style-type: none"> Revenues include easements on DNR lands, sale of land, sale of standing timber, leases on wild rice farming and interest. Account is used for the acquisition of natural resource lands within the outdoor recreation system. (M.S. 94.165)
Lottery in Lieu (Local Trails Grants Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for local trail grants. (M.S. 297A.65, 297A.94 (e)(4))
Lottery in Lieu (Metro Parks and Trails Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for metropolitan park and trail grants. (M.S. 297A.65, 297A.94(e)(3))
Lottery in Lieu (State Parks and Trails Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for state parks and trails. (M. S. 297A.65, 297A.94 (e) (2))
Lottery in Lieu (Zoos Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used by the Minnesota Zoological Garden, Como Zoo and Conservatory, and Duluth Zoo. (M.S. 297A.65, 297A.94 (e) (5))
Minerals Management Account	<ul style="list-style-type: none"> Revenues include mineral lease income related to management of the state's mineral assets. Funds are spent for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities. (M.S. 93.2236, 93.22)
Mining Administration Account	<ul style="list-style-type: none"> Revenues consist of mining administrative fees charged to owners, operators, or managers of mines. Funds pay for costs of providing and monitoring permits to mine. (M.S. 93.481, subd 7)

Account Name	Sources and Uses of the Account Funding
Natural Resources Misc. Statutory Account (Dedicated Receipts Account)	<ul style="list-style-type: none"> Account includes various dedicated revenues within the Natural Resource Fund for which the appropriations are statutory – burning permits account, forest bough account, forest resource assessment products and services account, and land management account. Sources and uses of the funds are specified in the individual statutes for the component accounts. (M.S. 88.17, 88.6435, 89.421, 92.685, 103G.301)
Nongame Wildlife Management Account	<ul style="list-style-type: none"> Revenues are from the check-off on income tax and property tax refund claim forms. Funds pay for non-game wildlife programs. (M. S. 290.431)
Off-Highway Motorcycle Account (OHM)	<ul style="list-style-type: none"> Revenues include fees for registration of off-highway motorcycles and unrefunded gasoline tax attributable to off-highway motorcycle use. Funds pay for administration, enforcement, and acquisition, maintenance and development of off-highway motorcycle trails. (M.S. 84.794).
Off-Road Vehicle Account (ORV)	<ul style="list-style-type: none"> Revenues include fees for the registration of off-road vehicles, non-resident state trail passes and the unrefunded gasoline tax attributable to off-road vehicles use. Funds pay for administration, enforcement, and acquisition, maintenance and development of off-road vehicle trails. (M.S. 84.803).
Snowmobile Trails and Enforcement Account	<ul style="list-style-type: none"> Revenues include fees for registration of snowmobiles, issuance of snowmobile state trail stickers, unrefunded gasoline tax, and training fees. Funds pay for snowmobile programs and acquisition, maintenance and development of trails, training, and enforcement. (M. S. 84.83)
State Land and Water Conservation (LAWCON) Account	<ul style="list-style-type: none"> Federal grant reimbursement funds that are received under the Land and Water Conservation Fund Act. Half is distributed for projects of local units of government and half is distributed to the state for land acquisition and development of the state outdoor recreation system and for administrative expenses necessary to maintain the state’s eligibility for the program. (M. S. 84.0264)
State Parks Account	<ul style="list-style-type: none"> Revenues include fees for camping, state park permits, and facility rentals. Funds pay for operation and maintenance of the state park system. (M. S. 85.055)
Water Management Account	<ul style="list-style-type: none"> Revenues include fees from permit application fees, water use fees, field inspection fees, penalties, and other receipts according to sections 103G.271 and 103G.301. Funds in the water management account may be spent only for the costs associated with administering (M.S. 103G.27).
Water Recreation Account	<ul style="list-style-type: none"> Revenues include fees for titling and licensing watercraft, mooring, and sale of marine gas at state-operated small craft harbors and mooring facilities, unrefunded gasoline tax attributable to boating, fees for permits to control or harvest aquatic plants. Funds pay for water recreation programs such as acquisition, development and maintenance of public water access and boating facilities on public waters, lake and river improvements; maintenance, operation, replacement, and expansion of small craft harbors and mooring facilities, water safety programs, management of aquatic invasive species and aquatic plants. (M.S. 86B.706)

Electronic Licensing System (ELS)

DNR maintains an Electronic Licensing System (ELS). Issuing fees charged on the sales of licenses, permits, and registrations support licensing activities and maintain the system.

DNR deposits the money in the Natural Resource Miscellaneous Statutory Account. The total ELS expenditures for FY2022-23 from the Natural Resources Fund account were \$2,377,930 and the total revenues were \$2,001,958.

Conservation Corps Minnesota

The DNR has worked with Conservation Corps Minnesota (formerly Minnesota Conservation Corps) for 42 years to preserve and improve the natural resources of the State of Minnesota. This organization, which began in 1981, restores natural resources, conserves energy, responds to emergencies, and offers programs for youth and young adults.

For the FY22-23 biennium, Conservation Corps Minnesota received \$490,000 each year from various Natural Resources Fund accounts to support the following DNR activities and engaged 746 youth and young adults in natural resource and energy conservation projects across Minnesota in the following ways:

- 562 hours developing and maintaining public access and boating facilities on public waters, lake and river improvements, watercraft safety, and exotic species inspections and control
- 1,653 hours developing, constructing, and maintaining state trails, as well as education and technical skills training
- 8,519 hours developing water access sites within state parks, exotic and invasive species management, and non-motorized trail improvement and maintenance
- 4,773 hours designing, constructing, maintaining, training, and grooming state trails
- 1,724 hours maintaining and operating state parks and trails
- 3,122 hours managing invasive species
- 4,737 hours engaging in forest management activities
- 430 hours spent on acquisition, maintenance, and development of off-highway motorcycle trails and use areas
- 301 hours spent on acquisition, maintenance, and development of horse trails and use areas

Unrefunded Gas Tax Revenue

With the broader goal that the unrefunded gasoline proceeds should support programs related to non-highway gasoline use, the DNR receives a portion of the unrefunded gasoline tax. Since 1961, these proceeds have supported the state’s recreational motorized vehicle activities.

The Minnesota Department of Transportation (MnDOT) transfers to the DNR, twice annually, the estimated portion of the unrefunded gasoline tax that was used by boaters, snowmobiles, and all-terrain vehicles. The amounts are transferred to several accounts in the Natural Resources Fund based on a formula written in statute (296A.18). As the table shows, approximately 2.98 percent of unrefunded gasoline tax revenues – the portion attributed to use by boaters, snowmobile, and ATVs – are transferred into natural resources accounts and are appropriated annually for the purposes described in law.

Distribution of Unrefunded Gas Tax Revenues

Account	Portion of unrefunded gasoline tax transferred to the account	To be used for
Water Recreation	1.50%	Acquisition, development, maintenance, and rehabilitation of sites for public access and boating facilities on public waters; lake and river improvement; and boat and water safety
Snowmobile	1.00%	To fund snowmobile programs and the maintenance and development of snowmobile trails
All-Terrain Vehicle	0.27%	Maintenance and development of ATV trails
Off-Highway Motorcycle	0.046%	Maintenance and development of OHM trails
Off-Road Vehicle	0.164%	Maintenance and development of ORV trails
Total of Unrefunded Gas Tax Revenues	2.98%	

Police State Aid Revenue

The DNR receives police state aid to apply to the employer’s contribution to law enforcement (conservation officers) pensions. Tax receipts from a surcharge on auto insurance gross premiums determine the amount of the aid.

In FY2022-23, the Natural Resource Fund received \$685,511. This amount was apportioned to the Water Recreation, Snowmobile, All-Terrain Vehicle, Off-Highway Motorcycle, Off-Road Vehicle and State Park accounts based on the amount of Conservation Officers’ salaries paid from each account.

Interest Earnings (M.S. 16A.72)

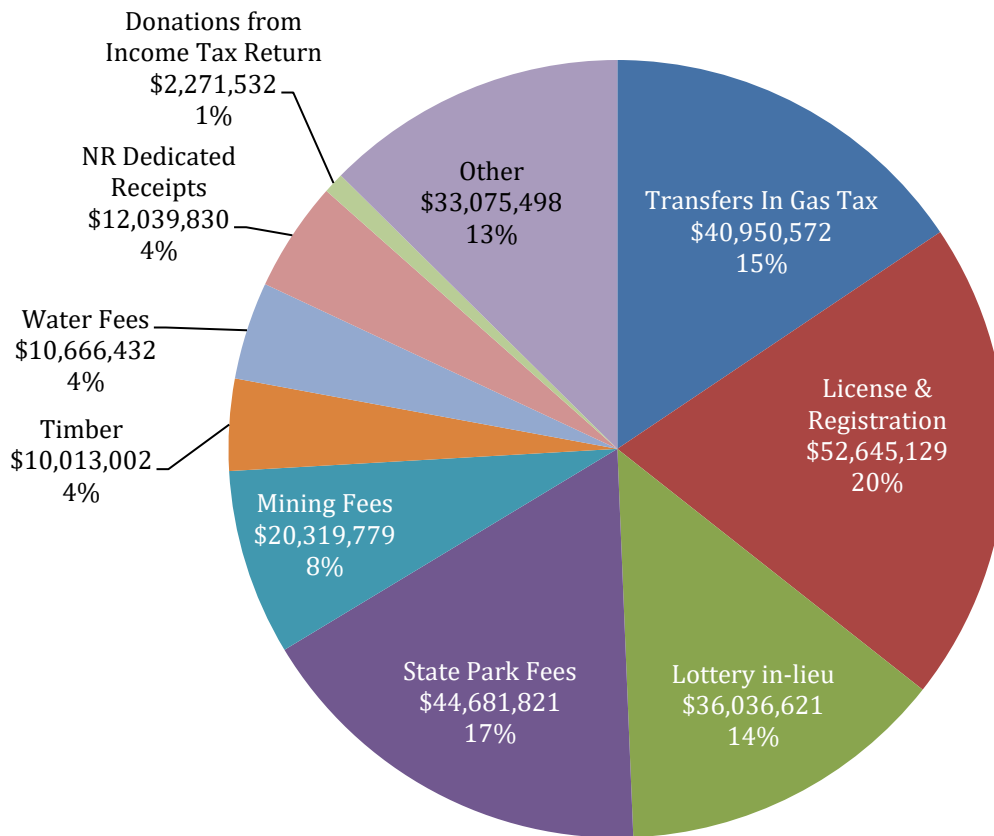
Minnesota statutes allow interest earnings to be earned on balances in several DNR funds and accounts. Interest is credited to the fund or account and available for appropriation for the purpose for which it was received. The Natural Resources Fund earns interest on donations, gifts, snowmobile receipts, and receipts deposited in the minerals management account, mining administration account, and forest management investment account. The interest earned for 2022-23 was \$924,195.

Natural Resource Fund Revenues for Fiscal Year 2022-23

In FY2022-23, the DNR collected \$262,700,215 in total revenue in the Natural Resource Fund.

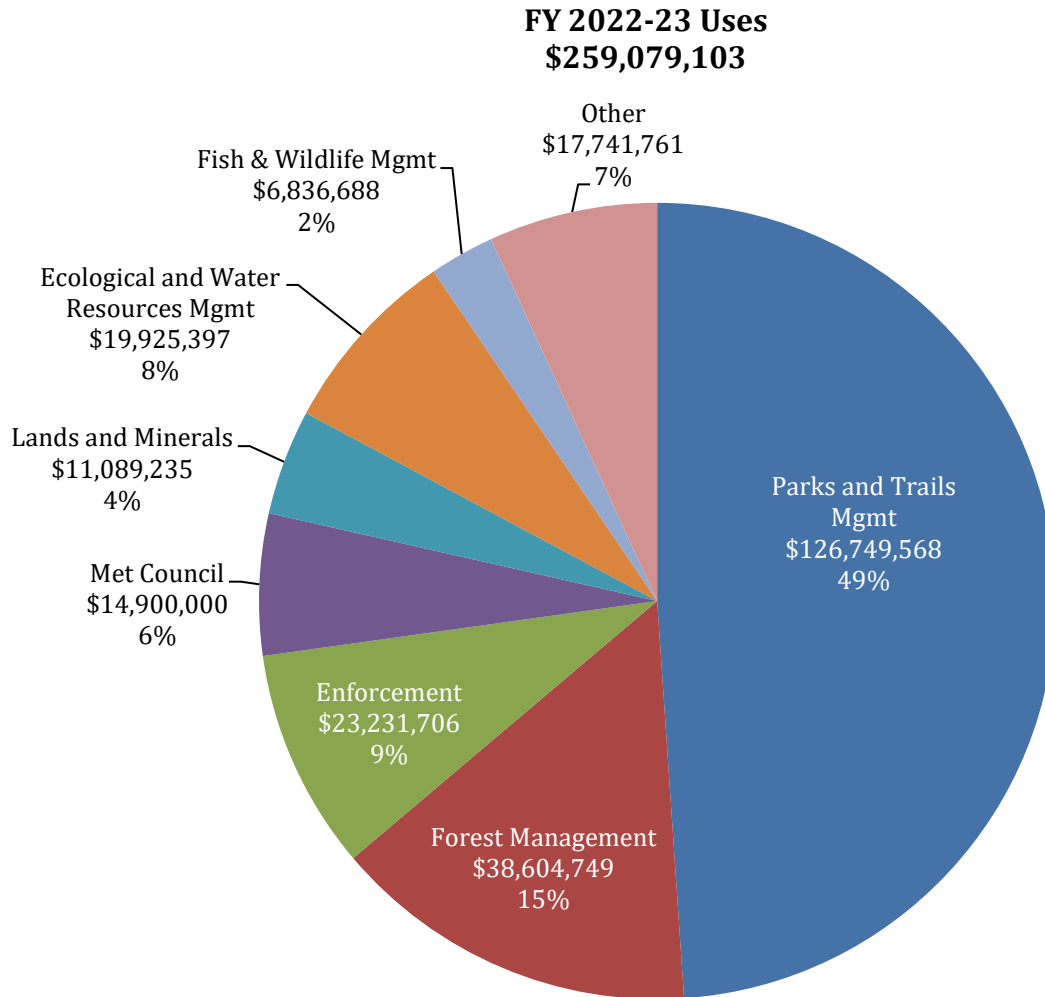
The largest sources of revenues are gas and lottery taxes, licenses and registrations, state park fees, mining fees, and water fees. Unrefunded gasoline tax revenues attributable to certain types of vehicles used in recreation activities comprise the largest amount of Other Receipts (transfers in). For details, see individual funds.

**FY2022-23 Receipts and Transfers In
\$262,700,215**



Natural Resource Fund Expenditures for Fiscal Year 2022-23

In FY2022-23, the DNR spent \$259,079,103 in total expenditures and transfers out of the Natural Resource Fund. The Division of Parks and Trails spent most of these funds.



Contacts

For additional information about the Natural Resources Fund, contact the DNR:

[Email the DNR](#)

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Location:

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St. Paul, MN 55155-4040

All-Terrain Vehicle Account (ATV)

Brief Overview

- Governing statutes: M.S. 84.773 to 84.781
- Year established: 1984
- Registered all-terrain vehicles in MN: 310,000
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

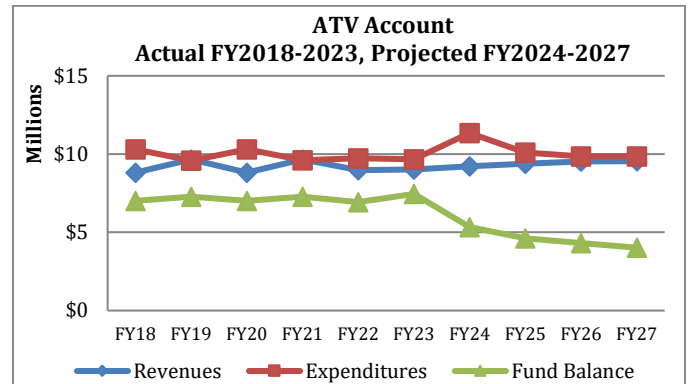
Fees from the registration of all-terrain vehicles and non-resident state trails passes, the unrefunded gasoline tax attributable to ATV use, and the net proceeds from the sale of ATVs forfeited for certain violations of statutes under M.S. 84.927 and M.S. 169A.63 are the main sources of funding in this account. Funds in the ATV Account may be used, within guidelines of the Statewide Comprehensive Outdoor Recreation Plan, only for:

- Acquisition, maintenance, and development of trails and use areas;
- Administration, enforcement, and implementation of applicable statutes;
- Grant-in-aid programs to counties and municipalities to construct and maintain ATV trails and use areas, and grants for local safety;
- Education and training program;
- Enforcement and public education grants to local law enforcement agencies; and
- Maintenance of certain forest roads that are part of a designated trail system.

Financial Summary	FY22	FY23
Beginning fund balance	\$7,278,622	\$6,929,834
Prior year adjustments	\$415,729	\$1,184,923
Revenues		
ATV Registration	\$6,768,219	\$6,937,076
Misc Receipts	244,448	102,418
Unrefunded gasoline tax & police state aid	<u>\$1,960,015</u>	<u>\$1,968,137</u>
Total Revenues	\$8,972,683	\$9,007,630
Expenditures		
Parks and Trails Mgmt	\$5,900,569	\$5,993,679
Enforcement	3,631,180	3,472,292
Fish and Wildlife	124,552	117,536
Conservations Corps MN	20,000	20,000
Statewide Indirect	60,899	63,100
Total Expenditures	\$9,737,201	\$9,666,606
Ending fund balance	<u>\$6,929,834</u>	<u>\$7,455,781</u>
Net change	(\$348,788)	\$525,947

Forecast

Major revenues to this account are ATV registrations (76%) and unrefunded gasoline taxes (21%). The fund balance has remained relatively flat and is projected to decline.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

- Approximately 32,141 hours of enforcement, education, and safety training activities.
- Recruited and trained additional volunteers for the ATV Safety and Trail Ambassador programs, bringing the total number of ATV Instructors to 1,116 and Trail Ambassadors to 203. The ATV Safety training program certified 7,370 students. There were 188 new ATV Instructors in FY22-23.
- About 361 miles of ATV unit trails were developed, monitored, and maintained. The Grant-in-Aid (GIA) system contributed approximately another 2,914 miles.
- The DNR completed trail improvements on the David Dill/Taconite and began expanding trails in the Iron Range OHV State Recreation Area.
- Grants-in-aid were awarded to 80 trail projects through approximately 30 local government sponsors. These grants support local clubs for maintenance, development, and acquisition for approximately 3,000 miles of ATV trails.

Additional Resources

[ATV grants-in-aid](#)

[ATV safety training](#)

Cross-Country Ski Account

Brief Overview

- Governing statute: M.S. 85.43
- Year established: 2004 (program established in 1983)
- Ski trails: 1,400 miles
- Primary division: Parks and Trails

Sources and Uses of the Funds

Receipts from cross-country ski trail passes are deposited into this account and used for maintenance and grooming of cross-country ski trails.

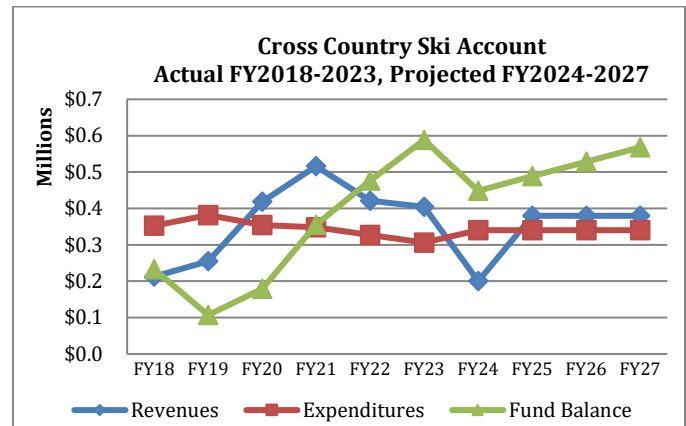
Money deposited in the Cross-Country Ski Account is for grants-in-aid (GIA) for cross-country ski trails sponsored by local units of government and special park districts.

The DNR administers 1,100 miles of state-operated and grant-in-aid cross-country ski trails statewide. By purchasing a ski pass, cross-country skiers support the maintenance and grooming of these cross-country ski trails. Most grant-in-aid cross-country ski trails are maintained by local ski club volunteers.

Financial Summary	FY22	FY23
Beginning fund balance	\$355,121	\$476,872
Prior year adjustments	\$27,654	\$13,233
Revenues		
Cross Country Ski Permit	\$420,639	\$403,707
Misc Receipts	<u>843</u>	<u>962</u>
Total Revenues	\$421,483	\$404,668
Expenditures		
Parks and Trails Mgmt	\$317,386	\$296,252
Conservations Corps Minnesota	<u>10,000</u>	<u>10,000</u>
Total Expenditures	\$327,386	\$306,252
Ending fund balance	<u>\$476,872</u>	<u>\$588,521</u>
Net change	\$121,751	\$111,649

Forecast

Revenues and expenditures vary considerably from year to year due to snow conditions. Given poor snow conditions in the 2023-24 winter, revenues are expected to dip to near FY18 levels. The fund balance is projected to grow as revenues exceed appropriations.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

- Awarded 37 cross-country ski grants-in-aid (GIA) each fiscal year to local units of government, many partnering with local ski clubs. The grants helped provide 638 miles of GIA ski trails statewide.
- The department allocated \$75,000 toward the grooming of 378 miles of cross-country ski trails maintained by the DNR in state parks, state forests, and on state trails.

Additional Resources

[Minnesota DNR Cross-Country Ski](#)

[Purchase a cross-country ski pass online](#)

[Cross Country Ski Trail Grants-in-Aid \(GIA\)](#)



Forest Management Investment Account

Brief Overview

- Governing statute: M.S. 89.039
- Year established: 2004
- State forests in MN: 59
- Forest roads: 2,370 miles
- Primary division: Forestry

Sources and Uses of Funds

The Forest Management Investment Account (FMIA) was established to create a direct connection between state timber program revenues and expenditures. Primary sources of funding to the FMIA are revenues earned from state land timber sales and related activities. On average, 30,000 acres of timberland are regeneration harvested and 10,000 acres are thinned or selectively harvested each year supplying the state's forest industry with quality wood fiber used for the manufacture of paper, lumber, structural panels, and specialty products.

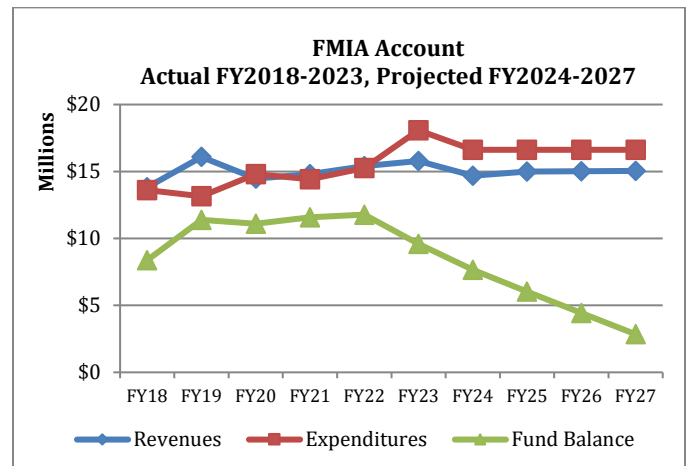
FMIA dollars can be spent, subject to appropriation by the Legislature, in accordance with the forest management policy and plan, for these purposes:

- State timber sales planning, layout, and administration, contract marking of commercial thinning sales, forest inventory, and cultural resource reviews; and
- State land reforestation and timber stand improvement, including forest pest management.

Financial Summary	FY22	FY23
Beginning fund balance	\$11,586,559	\$11,778,517
Prior year adjustments	\$45,920	\$109,359
Revenues		
Timber sales, interest & penalty	\$4,808,058	\$5,204,943
Misc Receipts	36,410	244,212
Con Con, Univ, School Trust, etc	10,557,758	10,339,800
Total Revenues	\$15,402,226	\$15,788,955
Expenditures		
Forest Management	\$14,780,133	\$17,602,971
Lands and Minerals	344,000	344,000
Conservations Corps Minnesota	60,000	60,000
Statewide Indirect	72,055	71,353
Total Expenditures	\$15,256,188	\$18,079,324
Ending fund balance	\$11,778,517	\$9,598,507
Net change	\$191,958	(\$2,180,010)

Forecast

The fund balance is projected to decline following a peak in FY22 because projected revenues are less than appropriations.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

- Offered for sale a total of 1,874,645 cord equivalents, including 1,729,314 "new" cord equivalents (cords and thousand board feet units only). Timber sold totaled 1,515,567 cord equivalents and timber harvested totaled 1,381,574 cord equivalents.
- 5,689 acres received site preparation for reforestation, 3,663 acres were planted, 3,397 acres were direct seeded, and 1,503 acres were released from competition. 545 acres underwent timber stand improvement. Regeneration surveys were completed on 25,123 acres. Some 8,548 acres were protected from animal browse damage by bud capping or repellents.

Additional Resources

[DNR M.S. 16A.125 Trust Cost Certification Report – Legislative Reports by Fiscal Year](#)

[DNR Biennial Operating Budget](#)

[Division of Forestry Website](#)

Invasive Species Account

Brief Overview

- Governing statute: M.S. 84D.15
- Year established: 2007 (program established in 1991)
- Primary Division: Ecological and Water Resources

Sources and Uses of the Funds

A surcharge on watercraft licenses under M.S. 86B.415, subd. 7, and civil penalties for violations of the law related to prohibited invasive species under M.S. 84D.13 are deposited into the account. Receipts from an annual \$10.60 surcharge on nonresident fishing licenses under M.S. 97A.475, subd. 7 are transferred each year from the Game & Fish Fund to the Invasive Species Account. The watercraft surcharge accounts for 64 percent of total revenues while the non-resident fishing surcharge accounts for 27 percent.

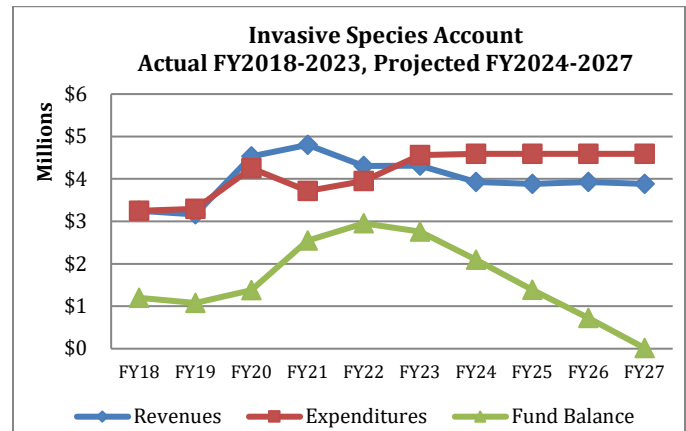
Funds from the Invasive Species Account are used for management of invasive species and implementation of Chapter 84D. Major activities include control of invasive species, watercraft inspection, public awareness, law enforcement, assessment and monitoring, management planning, and research.

Financial Summary	FY22	FY23
Beginning fund balance	\$2,548,058	\$2,952,989
Prior year adjustments	\$48,800	\$54,106
Revenues		
Watercraft Surcharge	\$2,708,692	\$2,752,682
Misc Receipts	35,726	11,110
Non Res Fishing Lic Surcharge, Water Rec Account	<u>1,559,736</u>	<u>1,548,520</u>
Total Revenues	\$4,304,154	\$4,312,312
Expenditures		
Ecological and Water Resources Mgmt	\$3,672,393	\$4,046,958
Enforcement	240,199	479,314
Conservations Corps Minnesota	25,000	25,000
Statewide Indirect	<u>10,430</u>	<u>9,314</u>
Total Expenditures	\$3,948,023	\$4,560,585
Ending fund balance	<u>\$2,952,989</u>	<u>\$2,758,822</u>
Net change	\$404,931	(\$194,167)

Forecast

A fee increase raising the three-year aquatic invasive species surcharge from \$5 to \$10.60 went into effect

July 1, 2019. The fund balance is projected to steadily decline as appropriations exceed projected revenues.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

- Continued partnership with the Pollution Control Agency, Department of Agriculture (MDA), University of MN, Minnesota Aquatic Invasive Species Research Center (MAISRC), local governments, and wastewater treatment plants to implement a coordinated response to nonnative Phragmites in Minnesota.
- In 2023, DNR visited 420 sites in 38 counties previously treated for nonnative Phragmites and found no nonnative Phragmites at 95 sites.
- Partnered with MAISRC, University of Minnesota Extension, many counties, and local partners on an annual statewide search for new populations of starry stonewort. Over 400 volunteers searched 464 lakes, leading to treatment of the 13 new confirmed sites.
- Facilitated virtual meetings that included presentations and facilitated conversations with over 200 people to boost success of local AIS prevention work.
- DNR completed permit trainings and issued permits for 460 lakes service provider (LSP) owners and managers. Additionally, 1,650 LSP employees completed certificate training.

Additional Resources

[Invasive species program](#)

[Aquatic invasive species grants and partnerships](#)

[Invasive species in Minnesota](#)

Land Acquisition Account

Brief Overview

- Governing statute: M.S. 94.16 and 94.165
- Year established: 1984
- Land leases: 2,405
- Primary divisions: Forestry, Fish and Wildlife, Parks and Trails

Sources and Uses of the Funds

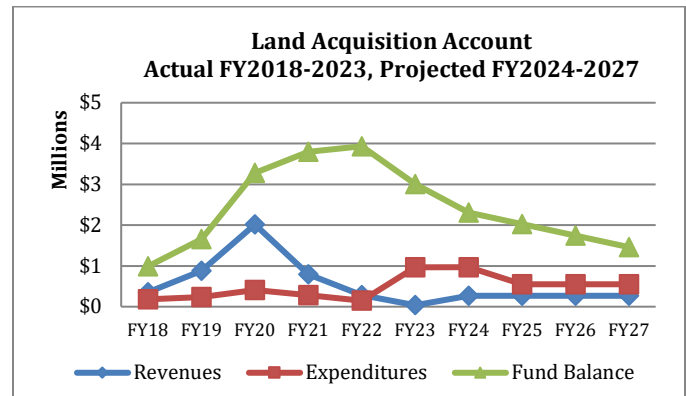
Receipts from the sale of acquired state natural resource land administered by the DNR are credited to the Land Acquisition Account to provide funding to acquire additional state natural resource land in the Outdoor Recreation System and to cover the costs of sale of surplus state land. These funds help the DNR reach the following goals:

- Consolidating state forest land into large contiguous blocks to increase forest management efficiencies and protect critical forest habitat;
- Acquiring privately-owned “in-holdings” within state parks; and
- Acquiring recreation access; and lands with significant natural resource characteristics.

Financial Summary	FY22	FY23
Beginning fund balance	\$3,795,292	\$3,932,591
Prior year adjustments	\$19	\$285
Revenues		
Sale of Land	\$174,674	(\$8,309)
Misc Receipts	<u>108,590</u>	<u>44,455</u>
Total Revenues	\$283,264	\$36,146
Expenditures		
Forest Management	\$85,279	\$127,008
Parks and Trails Mgmt	29,068	18,701
Fish and Wildlife	<u>31,637</u>	<u>817,190</u>
Total Expenditures	\$145,984	\$963,783
Ending fund balance	\$3,932,591	\$3,005,238
Net change	\$137,299	(\$927,352)

Forecast

Due to the unpredictable nature of land sales, the fund balance can significantly change year-to-year. Following higher than usual revenues in FY20, the fund balance is projected to steadily decline as expenditures are projected to outpace revenues.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

- Used to support land sales costs of 10 sales, 9 exchanges, and 6 acquisitions for FAW by covering transaction costs. No land payments were made from the Land Acquisition Account in FY22 or FY23. Two sales concluded that resulted in revenue to the account.
- Funding supported acquisition transaction costs for 9 new fee title additions to state forest lands, and 2 road easements to improve access to public lands. Expenditures also helped cover transaction costs of 2 land exchanges, and 5 land parcels offered for sale.
- Completion of an easement acquisition at Taconite Trail in FY22 totaling 0.23 acres, and at Stevens Lake totaling 2 acres as well as at Shagawa Lake totaling 6.56 acres in FY23.

Additional Resources

[Division of Lands and Minerals](#)

Lottery in Lieu Accounts: Local Trails Grants Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary division: Parks and Trails

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

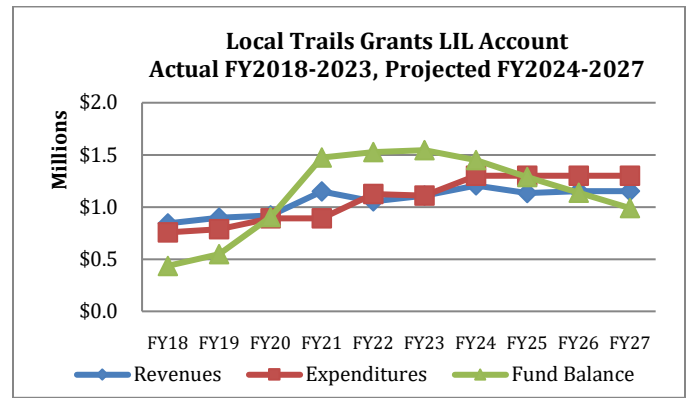
Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The Local Trails Grants Account must be spent on grants for local trails.

This LIL grant funding is made through the Local Trail Connections Program and the Regional Trail Grant Program, established in MN Statutes 85.019. Funded grant projects include acquisition and betterment of public land and improvements needed for trails. Counties, cities, and towns are eligible for the grants.

Financial Summary	FY22	FY23
Beginning fund balance	\$1,474,076	\$1,526,388
Prior year adjustments	\$122,929	\$19,000
Revenues		
Local Trails Grants-Lottery in lieu	\$1,053,179	\$1,109,018
Expenditures		
Parks and Trails Mgmt	\$1,123,797	\$1,109,330
Ending fund balance	\$1,526,388	\$1,545,075
Net change	\$52,311	\$18,688

Forecast

Despite revenue growth, the fund balance is projected to slightly decrease due to appropriations exceeding revenues starting in FY24.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

There were 15 park grants and 6 trail grants funded to local communities in the FY22-23 biennium for Local Trail Connections, Regional Trails and Local Parks. These grants help to acquire and develop local recreation park facilities and trails to connect citizens with the outdoors.

Additional Resources

[Local Grants and Pass-through Appropriations](#)

Lottery in Lieu Accounts: Metro Parks & Trails Grants Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary entity: Metropolitan Council

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

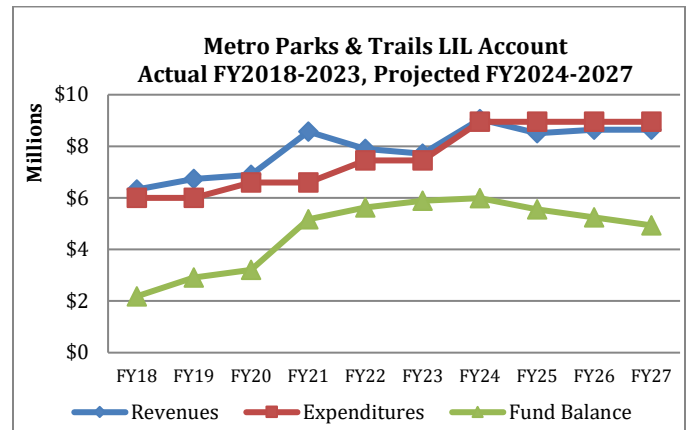
Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” (LIL) receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The Metro Parks and Trails Account must be used for grants to metro parks and trails.

The Metropolitan Council allocates the Metro Parks & Trails funds to the metro region park boards. Recipients include the counties of Anoka, Washington, Ramsey, Scott, Carver, and Dakota; cities of St. Paul and Bloomington; the Minneapolis Park and Recreation Board; and the Three Rivers Park District.

Financial Summary	FY22	FY23
Beginning fund balance	\$5,175,188	\$5,624,033
Revenues		
Metro Parks and Trails - Lottery in lieu	\$7,898,846	\$7,717,848
Expenditures		
Metropolitan Council	\$7,450,000	\$7,450,000
Ending fund balance	\$5,624,033	\$5,891,882
Net change	\$448,846	\$267,848

Forecast

The fund balance is projected to slightly decrease as appropriations exceed projected revenue from lottery sales.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

The Metropolitan Regional Parks System’s LIL funds are used by the Metropolitan Council to support the work of the ten regional park implementing agencies across the seven-county Metropolitan Region. This parks system includes 44 regional parks, 12 park reserves and 8 special recreation features totaling about 55,000 acres open for public use. The system also has 49 regional trails with more than 400 miles of recreational opportunities. The funding pays for operations and maintenance costs on a cost reimbursement basis.

Additional Resources

[Metropolitan Council – Regional Parks](#)

Lottery in Lieu Accounts: State Parks & Trails Account

Brief Overview

- Governing statute: M.S 297A.94
- Year established: 2000
- Primary division: Parks and Trails

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

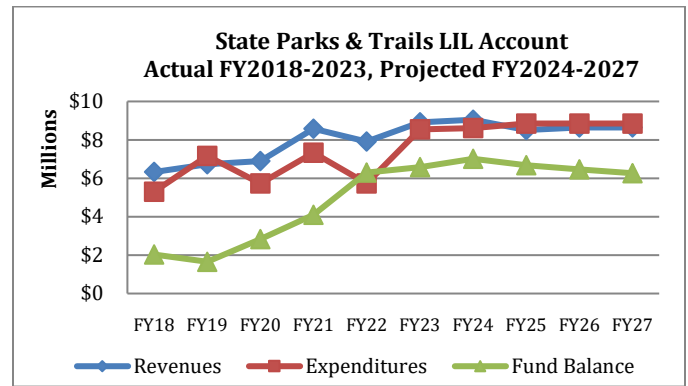
Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” (LIL) receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The State Parks and Trails Account must be used only for state parks and trails.

The State Parks & Trails LIL account provides funds to maintain and operate state parks and trails.

Financial Summary	FY22	FY23
Beginning fund balance	\$4,089,725	\$6,290,374
Prior year adjustments	\$20,153	\$16,440
Revenues		
State Parks and Trails - Lottery in lieu	\$7,898,846	\$8,917,419
Misc Receipts	6,543	904
Total Revenues	\$7,905,389	\$8,918,323
Expenditures		
Parks and Trails Mgmt	\$5,583,822	\$8,401,332
Enforcement	21,092	118,742
Conservations Corps Minnesota	75,000	75,000
Statewide Indirect	44,979	46,525
Total Expenditures	\$5,724,894	\$8,641,599
Ending fund balance	\$6,290,374	\$6,583,538
Net change	\$2,200,649	\$293,165

Forecast

The fund balance is projected to decline slightly as appropriations exceed projected revenue from lottery sales.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

Total expenditures from this account are used to manage state parks and trails by:

- Maintained the buildings and grounds for day and overnight use;
- Maintained state non-motorized trails;
- Provided a safe environment for visitors, orientation, and visitor services;
- Provided environmental education, resource management, interpretive services; and
- Performed emergency maintenance when needed (i.e., broken water and sewer lines, power failures, downed trees, etc.)

Additional Resources

[State Comprehensive Outdoor Recreation Plan](#)

[Strategic Conservation Agenda](#)

[Minnesota State Parks Strategic Plan](#)

[Long range conservation plans and strategies](#)

[DNR publications](#)

[Recreation Grants](#)

[Parks & Trails](#)

Lottery in Lieu Accounts: Zoos Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary entities: Minnesota Zoo, Como Zoo & Duluth Zoo

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

Under statute 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The Zoo Account funds a portion of the operations for the following zoos:

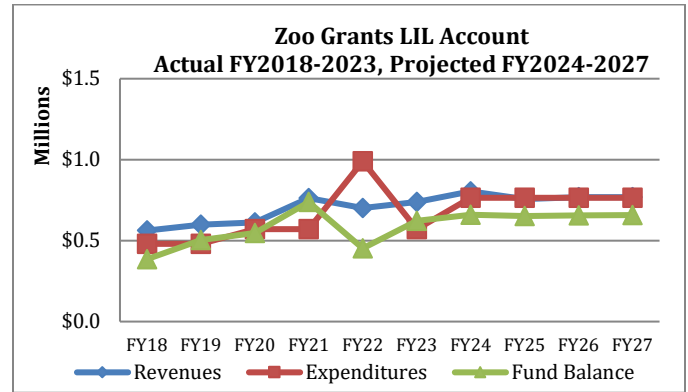
- Minnesota Zoological Garden;
- Como Zoo and Conservatory; and
- Duluth Zoo.

These three zoos (named in the legislation) each receive \$190,000 annually.

Financial Summary	FY22	FY23
Beginning fund balance	\$737,855	\$452,185
Prior year adjustments	\$2,210	\$0
Revenues		
Minnesota Zoos - Lottery in lieu	\$702,120	\$739,345
Expenditures		
Operations Support-Como & Duluth Zoos	\$660,000	\$380,000
Minnesota Zoo	<u>\$330,000</u>	<u>\$190,000</u>
Total Expenditures	\$990,000	\$570,000
Ending fund balance	<u>\$452,185</u>	<u>\$621,530</u>
Net change	(\$285,670)	\$169,345

Forecast

The fund balance is projected to remain relatively flat with projected revenue from lottery sales effectively matching the appropriations from the fund.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

Additional Resources

[Minnesota Zoo](#)

Minerals Management Account

Brief Overview

- Governing statute: M.S. 93.2236
- Year established: 2005
- DNR administers mineral rights: 12 million acres
- Primary division: Lands and Minerals

Sources and Uses of Funds

Mineral management responsibilities include state mineral evaluation and promotion, issuing leases for exploration and mining, negotiating royalty rates and rentals, and managing revenue transactions related to mining and exploration. The program also provides technical assistance to local governments on mineral resources and mining issues.

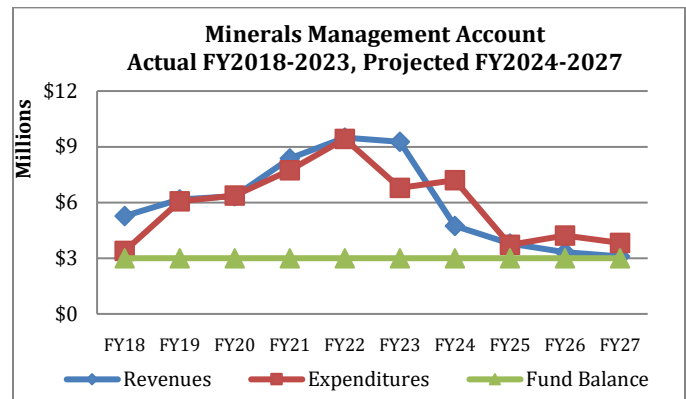
Revenues from state mineral leases are collected from mining companies and distributed in accordance with state law to benefit schools, the university, and local taxing districts. The Minerals Management program objective is to maximize mineral lease revenues for the Permanent School Fund, the Permanent University Fund, and local units of government.

The funds and accounts that directly benefit from mineral income pay for a portion of the costs of state minerals lease and ownership activities. Twenty percent of the payments made under all state mineral leases are credited to this account to pay the costs associated with the administration and management of the state’s mineral resources. Money in the account is appropriated by the legislature to the commissioner for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities.

Financial Summary	FY22	FY23
Beginning fund balance	\$5,154,714	\$5,223,143
Prior year adjustments	\$0	\$1,072
Revenues		
Iron Ore Rents & Royalties	\$9,467,321	\$9,112,023
Misc Receipts	<u>24,800</u>	<u>160,697</u>
Total Revenues	\$9,492,121	\$9,272,720
Expenditures		
Lands and Minerals	\$2,993,451	\$3,573,621
Univ., School Trust, Taxing Districts	12,404	13,532
Statewide Indirect	<u>\$6,417,838</u>	<u>\$3,197,870</u>
Total Expenditures	\$9,423,693	\$6,785,023
Ending fund balance	<u>\$5,223,142</u>	<u>\$7,711,912</u>
Net change	\$68,428	\$2,488,769

Forecast

Receipts collected in the FY22-23, totaling about \$9.4 million each year. Revenues and expenditures around typically \$4 million are projected each year.



Note – At the end of each quarter of the fiscal year (March 31, June 30, September 30, and December 31), the amount of the balance in excess of \$3 million is distributed to the School, University and Taxing Districts according to the proportions of revenue sourced from those lands.

FY2022-23 Accomplishments

- Mineral receipts were \$94 million in the FY22-23 biennium, up 27% from the previous biennium.
- Two residue lease packages were granted to two residue mining startups. Leases were designed with stronger terms and conditions to better guarantee revenues or allow for early termination if the projects did not develop.
- Continued work to modernize the Drill Core Library database.
- Peat and dimension stone receipts have been stable, if not slightly higher, than the previous biennium.

Additional Resources

[Lands and Minerals Publications](#)

Mining Administration Account

Brief Overview

- Governing statute: M.S. 93.481
- Year established: 2008
- Primary division: Lands and Minerals

Sources and Uses of the Funds

The 2008 law provided that ferrous mining (taconite and iron ore) administrative fees would be charged to owners, operators, or managers of mines and the revenues deposited to the new account. The revenues were appropriated to the DNR to cover the costs of administering and monitoring permits to mine ferrous metals.

In the last months of FY2009, the law was amended to provide that deposits to the account would include all fees charged to owners, operators, or managers of mines under M.S. 93.481 and a new section, M.S. 93.482 (Reclamation Fees). The mining administrative fee was extended to include ferrous, nonferrous, peat, and scam mining.

Each year, the annual permits to mine fees are collected based on the number of companies holding permits in the previous calendar year, whether or not there was production at the facilities.

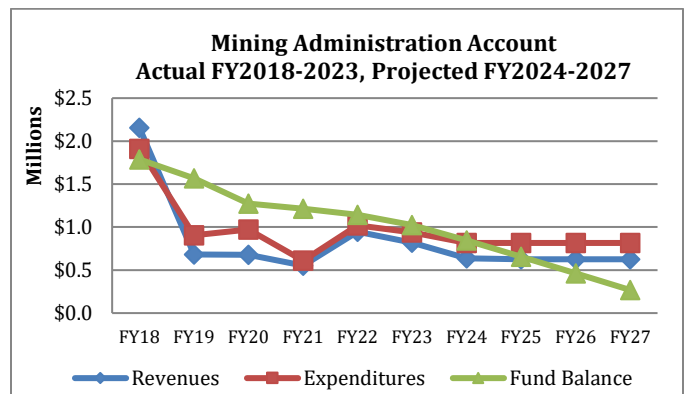
The funds are used for mineland reclamation activities that control adverse environmental impacts of mining, preserve natural resources, and encourage future land utilization planning. These activities also promote the orderly development of mining, encourage good mining practices, and recognize the beneficial aspects of mining. Supported activities within mineland reclamation include:

- Mine permitting & site inspections;
- Wetland impact avoidance, minimization, and mitigation;
- Annual report and operating plan review;
- Research toward reclamation practice improvement; and
- Environmental review.

Financial Summary	FY22	FY23
Beginning fund balance	\$1,215,520	\$1,142,236
Prior year adjustments	\$0	\$0
Revenues		
Mineland Reclamation Fees	\$942,094	\$798,853
Misc Receipts	5,655	21,456
Total Revenues	\$947,749	\$820,309
Expenditures		
Lands and Minerals	\$1,021,033	\$936,697
Ending fund balance	\$1,142,236	\$1,025,848
Net change	(\$73,284)	(\$116,388)

Forecast

The fund balance projected to decline as appropriations exceed projected revenues.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

Administered, monitored, and amended:

- Six taconite permits for active operations;
- One non-ferrous permit (in litigation);
- Four closure status taconite permits, with one in idle status;
- Five idle scam mining permits; and
- Eleven peat mining permits.

Additional Resources

[Mining and Mineral Resources of Minnesota](#)

[Lands and Mineral publications](#)

[Establishment of a Permit to Mine Administration and Application Fee Schedule \(report to legislative committees, published Jan. 2009\)](#)

[Reclamation section publications](#)

[Reclamation: Minnesota DNR](#)

Natural Resources Misc. Statutory Account (Dedicated Receipts Account)

Brief Overview

- Governing statute (year established):
 - M.S. 89.421 (2007), Forest Resource Assessment Products
 - M.S. 85.46 (2007), Horse Pass Account
 - M.S. 89.21 (2012), Forest Campgrounds
 - M.S. 97A.485 (1986), License Issuing Fee
- Primary divisions: Forestry, Parks and Trails, Fish and Wildlife

Sources and Uses of Funds

The Natural Resources Dedicated Receipts Account is the repository for the statutorily-appropriated dedicated accounts in the Natural Resources Fund.

Money deposited in the Natural Resources Misc. Statutory Account comes from these sources:

- Sales of forest resource assessment products and services;
- Horse pass and forest campground fees;
- Minimum \$60 donation for the State Parks and Trails Special Plates for passenger automobile, recreational vehicle, one ton pickup trucks, and motorcycles; and
- Fees collected on licenses sold.

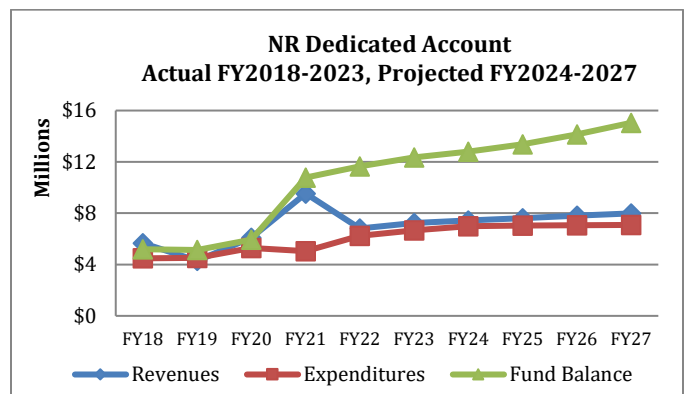
Money in the Natural Resources Misc. Statutory Account can be used for these purposes:

- Maintain staff and facilities producing the aerial photography, forest inventory, remote sensing, and satellite imagery products and services;
- Trail acquisition, trail and facility development, and maintenance, enforcement, and rehabilitation of horse trails or trails authorized for horse use;
- Costs associated with the use of forest campgrounds;
- Operation of the electronic licensing system; and
- Operations and maintenance costs for state parks and trails.

Financial Summary	FY22	FY23
Beginning fund balance	\$10,775,607	\$11,663,558
Prior year adjustments	\$316,129	\$121,884
Revenues		
Easement, water & land crossing licenses, water fees	\$329,734	\$184,969
Water fees, inspection & gas storage fees	275,592	343,566
Fire burn & Decorative bough permits, misc. forestry fees	3,063,465	3,093,092
Horse Trail Pass, Forest Campground Fees, SP Special Plate fee, misc park fees	2,165,992	2,586,401
License Issuing Fees	976,762	1,025,195
Total Revenues	\$6,811,545	\$7,233,223
Expenditures		
Forest Management	\$3,017,160	\$4,292,197
Lands and Minerals	568,773	484,776
Parks and Trails Mgmt	1,101,898	526,442
Ecological and Water Resources Mgmt	379,224	161,966
Fish and Wildlife	1,172,669	1,205,261
Total Expenditures	\$6,239,723	\$6,670,641
Ending fund balance	\$11,663,558	\$12,348,024
Net change	\$887,951	\$684,466

Forecast

Approximately 43 percent of the total receipts in the Dedicated Receipts Account were from the Forestry Resource Assessment Products and Services Account. Horse Trail pass, forest campgrounds and State Park (SP) Special Plate fee contributed 34 percent of the revenue. The fund balance is projected to grow boosted by a large one-time deposit in FY21. This balance is spread across many accounts.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

- Collected over 3,000 Forest Inventory and Analysis plots statewide, amounting to approximately 3.8 million acres inventoried.
- About 1.6 million acres of photos were acquired and interpreted for the wetland monitoring project.
- Approximately 4.974 million acres worth of forest were added to the LIDAR inventory.
- Conduct forecast health survey on about 22.6 million acres.
- Conducted detection analysis of about 12,500 acres for forest regeneration.
- Inventoried about 13,000 forest acres for terrestrial invasive species.
- Acquired photography for over 16,000 acres covering various rice lakes in northern Minnesota.
- Completed 16 state forest maps.
- Issued 69,533 burning permits.

- Issued 10 permits, including 6 amended water appropriation permits; 4 new water appropriation permits; and 1 water appropriation permit terminations.
- Parks and Trails manages 1,100 campsites in 47 state forest campgrounds and maintains over 1,000 miles of horse trails and 500 horse campsites.

Additional Resources

[Horseback Riding](#)

[Horse trail pass](#)

[Horse Trail Pass at Work \(list of funded projects\)](#)

[State Forest Horse Campgrounds and Trails](#)

[Purchase horse trail passes \(electronic licensing center\)](#)

[Minnesota State Parks and Trails License Plate](#)



Nongame Wildlife Management Account

Brief Overview

- Governing statute: M.S. 290.431
- Year established: 1980 (program established in 1977)
- Loon abundance: 2 loons per 100 acres of lake across six index areas
- Primary division: Ecological and Water Resources

Sources and Uses of Funds

The principal objectives are the conservation of nongame wildlife species and management and conservation of their habitats.

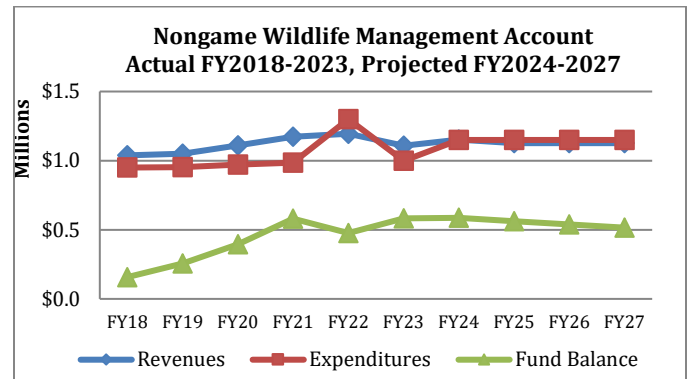
The program works to protect over 800 species of nongame wildlife.

The principal source of funding for this program is contributions by taxpayers on their state income tax and property tax forms, sometimes referred to as the “Chickadee Checkoff.” Individuals who file a state income tax return (M-1) or property tax refund claim (M1-PR) may donate to the Nongame Wildlife Program. As of July 1, 2021, all donations are matched 2:1 by the Critical Habitat License Plate fund—previously the match was 1:1.

Financial Summary	FY22	FY23
Beginning fund balance	\$581,261	\$475,640
Revenues		
Donations from income tax return	\$1,190,799	\$1,080,734
Misc Receipts	3,694	27,012
Total Revenues	\$1,194,492	\$1,107,745
Expenditures		
Ecological and Water Resources Mgmt	\$1,300,000	\$1,000,000
Statewide Indirect	\$113	\$105
Total Expenditures	\$1,300,113	\$1,000,105
Ending fund balance	\$475,640	\$583,280
Net change	(\$105,621)	\$107,640

Forecast

Revenues remain steady through FY27 and are projected to be slightly less than expenditures, resulting in a slow declining balance.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

- Initiated multiple monitoring efforts focused on charismatic nongame wildlife species where Minnesotans are trained in survey protocols and contribute to important data collection for species like loons, chimney swifts, frogs and toads.
- Provided technical guidance on a number of projects, including conducting species-specific surveys (red-shouldered hawk, rare salamander, bumble bee and songbird) to assess species level response to management efforts.
- Continued work on the multiagency long-term grassland monitoring project. A total of 16 sites were monitored for vegetation which included 182 transects and 20 relevés. Ten sites were monitored for birds (73 point counts) and butterflies (200 transects).
- Continued to work within active conservation focus areas, enhanced habitat for nongame wildlife, facilitated partnership planning meetings, and conducted outreach events with private landowners.
- The State Wildlife Action Plan revision process began with a series of eight regional workshops with over 200 participants from internal divisions and external conservation partners.

Additional Resources

[Nongame Wildlife Program](#)

[Statewide Nongame Projects](#)

[Research reports](#)

[Wildlife rehabilitation home page, organizations](#)



Off-Highway Motorcycle Account (OHM)

Brief Overview

- Governing statute: M.S. 84.773 to 84.781
- Year established: 1993
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

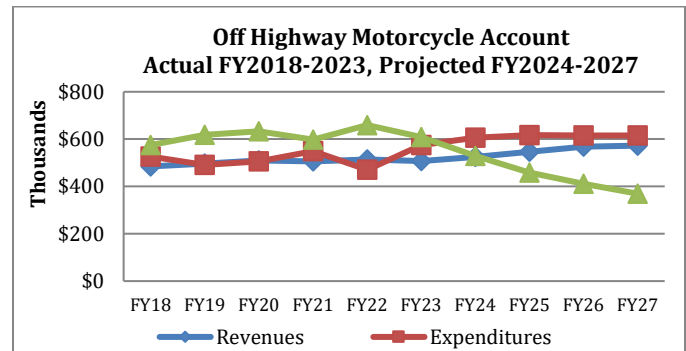
The sources of funding for the account include registration fees for OHMs and the unrefunded gasoline taxes attributable to OHM use. Money in the account may only be spent for:

- Administration, enforcement, and implementation of OHM sections of statutes (M.S. 84.787 to 84.795);
- Acquisition, maintenance, and development of OHM trails and use areas; and
- Grants-in-aid to counties and municipalities to construct and maintain OHM trails and use areas. Grants must be guided by the Statewide Comprehensive Outdoor Recreation Plan.

Financial Summary	FY22	FY23
Beginning fund balance	\$597,155	\$659,159
Prior year adjustments	\$17,904	\$17,442
Revenues		
OHM Registration	\$177,955	\$178,171
Misc Receipts	17,117	9,230
Unrefunded gasoline tax & police state aid	<u>319,405</u>	<u>319,616</u>
Total Revenues	\$514,477	\$507,016
Expenditures		
Parks and Trails Mgmt	\$318,211	\$437,574
Enforcement	123,480	108,252
Fish and Wildlife	9,161	10,046
Conservations Corps Minnesota	5,000	5,000
Statewide Indirect	14,524	13,575
Total Expenditures	\$470,376	\$574,446
Ending fund balance	<u>\$659,159</u>	<u>\$609,171</u>
Net change	\$62,004	(\$49,989)

Forecast

Major revenues to this account are OHM registrations (36%) and unrefunded gasoline taxes (62%.) The fund balance is projected to steadily fall as appropriations exceed revenue.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

- Developed, monitored, and maintained about 157 miles of OHM/ATV trails in state forests, state trails, and the Iron Range OHV State Recreation Area. Approximately 248 single-track OHM miles are open for public use on state forest lands.
- Nearing completion of an OHM strategic master plan to guide future development of OHM opportunities.
- DNR staff spent approximately 1,291 hours on OHM law enforcement and safety training activities.
- Issued 128 grants to local law enforcement agencies to provide for enforcement and education activities relating to OHM use around the state.

Additional Resources

[OHM safety training](#)

[OHM grants-in-aid](#)

Off-Road Vehicle Account (ORV)

Brief Overview

- Governing statute: M.S. 84.773 to 84.781
- Year established: 1993
- OHV Trails: 2,900 miles
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

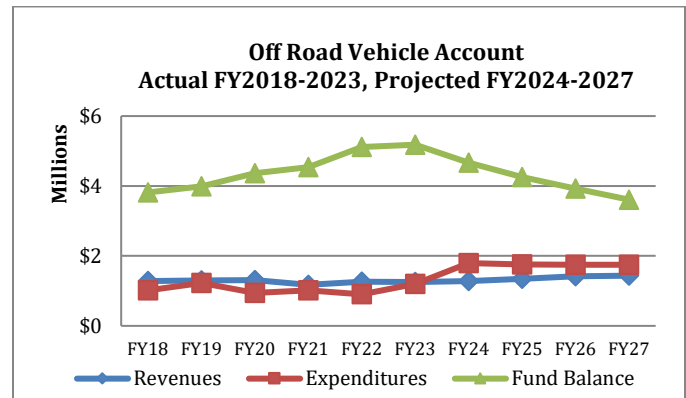
Fees from the registration of off-road vehicles and revenues from unrefunded gasoline tax attributable to off-road vehicle use are the principal revenue sources. Money in the ORV Account may only be spent for:

- Administration, enforcement, and implementation of M.S. 84.773 to 84.805;
- Acquisition, maintenance, and development of off-road vehicle trails and use areas;
- Grant-in-aid programs to counties and municipalities to construct and maintain off-road vehicle trails and use areas;
- Grants-in-aid to local safety programs; and
- Enforcement and public education grants to local law enforcement agencies.

Financial Summary	FY22	FY23
Beginning fund balance	\$4,535,445	\$5,112,468
Prior year adjustments	\$214,120	\$15,022
Revenues		
ORV Registration	\$99,002	\$102,405
Misc Receipts	37,255	20,083
Unrefunded gasoline tax & police state aid	<u>1,128,975</u>	<u>1,132,452</u>
Total Revenues	\$1,265,231	\$1,254,940
Expenditures		
Parks and Trails Mgmt	\$704,932	\$891,433
Enforcement	160,220	257,267
Fish and Wildlife	23,443	40,203
Statewide Indirect	13,733	12,846
Total Expenditures	\$902,328	\$1,201,749
Ending fund balance	<u>\$5,112,468</u>	<u>\$5,180,680</u>
Net change	\$577,022	\$68,213

Forecast

Major revenues to this account are ORV registrations (9%) and unrefunded gasoline taxes (89%.) The fund balance peaked in FY22 and is projected to decline due to appropriations exceeding revenues.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

- Nearing completion of Border-to-Border Touring Route Management Plan
- Provided 10 grants to counties, cities, and townships for the maintenance, development, and acquisition of public, locally controlled ORV trails and areas, providing 84 miles of ORV opportunities and about 535 miles of other trails open for ORV use.
- Nearing completion of an ORV strategic master plan to guide future development of ORV opportunities.
- Staff spent approximately 1,299 hours on ORV law enforcement and safety training.
- Issued 128 grants to local law enforcement agencies to provide law enforcement and education activities relating to ORV use around the state.

Additional Resources

[ORV safety training](#)

[ORV grants-in-aid](#)

Snowmobile Trails and Enforcement Account

Brief Overview

- Governing statute: M.S. 84.83
- Year established: 1982
- Registered snowmobiles: 190,000
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of the Funds

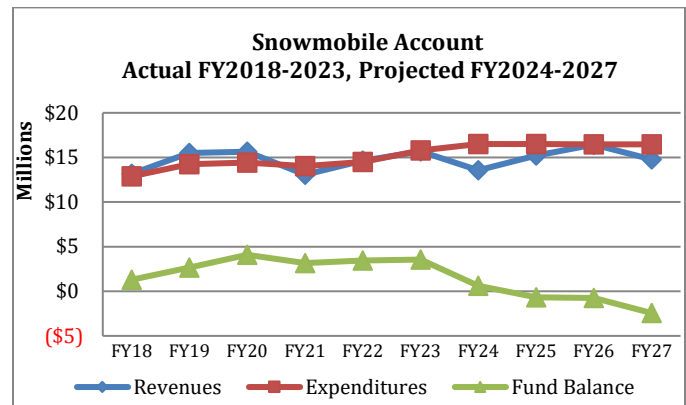
Fees from the registration of snowmobiles, trail pass, and one percent of the unrefunded gasoline taxes attributable to snowmobile use are the main sources of funding in the Snowmobile Account. The account funds may be spent only as appropriated by law, for:

- A grant-in-aid program to local units of government for construction and maintenance of snowmobile trails;
- Acquisition, development, and maintenance of state recreational snowmobile trails;
- Snowmobile safety programs; and
- Administration and enforcement of the laws concerning snowmobiles in M.S. 84.81 to 84.91, and grants to local law enforcement agencies.

Financial Summary	FY22	FY23
Beginning fund balance	\$3,173,404	\$3,464,420
Prior year adjustments	\$159,211	\$223,376
Revenues		
Snowmobile Registration	\$7,270,828	\$8,154,088
Misc Receipts	434,133	561,635
Unrefunded gasoline tax & police state aid	<u>6,919,773</u>	<u>6,951,666</u>
Total Revenues	\$14,624,733	\$15,667,389
Expenditures		
Parks and Trails Mgmt	\$11,846,223	\$13,462,741
Enforcement	2,184,817	1,894,923
Fish and Wildlife	304,949	288,451
Lands and Minerals	13,000	13,000
Conservations Corps Minnesota	75,000	75,000
Statewide Indirect	68,938	65,542
Total Expenditures	\$14,492,927	\$15,799,657
Ending fund balance	<u>\$3,464,420</u>	<u>\$3,555,528</u>
Net change	\$291,016	\$91,108

Forecast

Annual snow conditions impact revenues. An ongoing structural imbalance between spending and receipts is managed annually.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027. The department will manage levels of spending to ensure the account does not go negative as shown above.

FY2022-23 Accomplishments

- Provided 32,817 hours on enforcement, education, and safety training activities.
- Issued 128 grants to counties and local government for law enforcement and education and trail maintenance.
- Trained 12,498 youth and adults through the snowmobile safety education program.
- The License Center issues all Snowmobile registrations through a web based Electronic License System (ELS) available from 175 registration agents (deputy registrars).
- Developed, managed, and maintained about 800 miles of recreational snowmobile trails annually.
- Administered grants-in-aid to local units of government to create and maintain locally initiated trails totaling 21,529 miles, through 178 grants annually, and awarded 7 trail improvement grants.

Additional Resource Links

[Snowmobiling in Minnesota](#)

State Land & Water Conservation (LAWCON) Account

Brief Overview

- Governing statute: M.S. 84.0264 (previously 116P.14)
- Year established: 2001
- Primary Division: Parks and Trails

Sources and Uses of the Funds

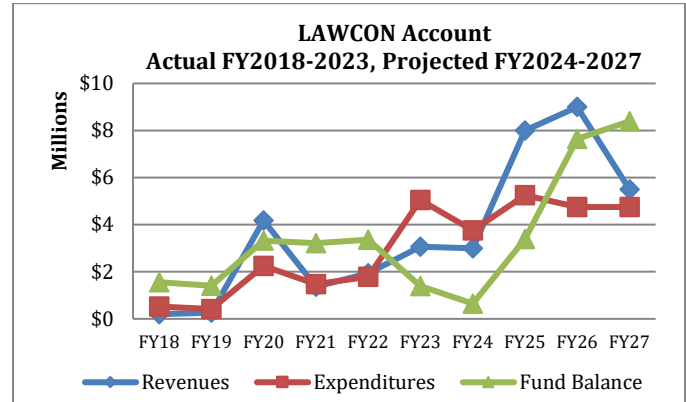
Since 1965, Minnesota has received over \$81 million from the federal Land & Water Conservation Fund. M.S. 84.0624 distributes 50 percent of each annual apportionment to projects developed, acquired, or maintained by local units of government. The State distributes these funds through the Outdoor Recreation, Regional Park, and Natural and Scenic Areas grant programs. The other 50 percent is allocated to state acquisition and development projects of the state outdoor recreation system as defined in M.S. 86A, and for administrative expenses necessary to maintain the state’s eligibility for the federal Land & Water Conservation Fund grant program.

Each year, the State identifies the specific acquisition and development projects to which it will obligate its annual federal LAWCON apportionment. The State receives the federal reimbursement when the projects are complete. Reimbursements for local projects go to the project sponsor (typically a local unit of government) while the State deposits reimbursements for DNR projects into the LAWCON account for future projects.

Financial Summary	FY22	FY23
Beginning fund balance	\$3,217,747	\$3,363,806
Prior year adjustments	\$0	\$20,781
Revenues		
Federal Reimbursement	\$880,686	\$780,968
LAWCON Local Reimbursement	1,055,130	2,276,953
Misc Receipts	<u>23</u>	<u>123</u>
Total Revenues	\$1,935,839	\$3,058,044
Expenditures		
Parks and Trails Mgmt	\$1,788,546	\$5,044,285
Statewide Indirect	\$1,234	\$868
Total Expenditures	<u>\$1,789,780</u>	<u>\$5,045,154</u>
Ending fund balance	\$3,363,806	\$1,397,477
Net change	\$146,059	(\$1,966,329)

Forecast

This account is a reimbursement program and can fluctuate depending upon the timing of the expenditures and revenues. Given this is a reimbursement account, the DNR seeks to maximize use of collected revenues to benefit the state.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

- Completed grant to the cities of Owatonna, Mendota Heights, Orono, Duluth, Lonsdale, Columbia Heights, St. Paul, Maple Plain, St. Louis Park, Cottage Grove, Richfield, Wyoming, and Detroit Lake to expand close to home recreation opportunities. Awarded 22 new federal grants.
- Administered the grant program to continue the State’s eligibility to receive future LAWCON apportionments from the National Park Service.

Additional Resources

[Land and Water Conservation Fund \(LAWCON\)](#)

[National Park Service, Land & Water Conservation Fund](#)

[Statewide Comprehensive Outdoor Recreation Plan \(SCORP\)](#)

State Parks Account

Brief Overview

- Governing statute: M.S. 85.052, subd. 4.
- Year established: 2000
- State parks: 66
- State recreation areas: 9
- Yearly visitors: 10 million
- Primary Division: Parks and Trails

Sources and Uses of the Funds

DNR manages 66 state parks, 9 state recreation areas, 9 state waysides, and 84 state forest campgrounds/day use areas.

Fees paid by visitors who purchase products and services within a state park, state recreation area or wayside, and for special state park uses, are credited to the State Parks Account.

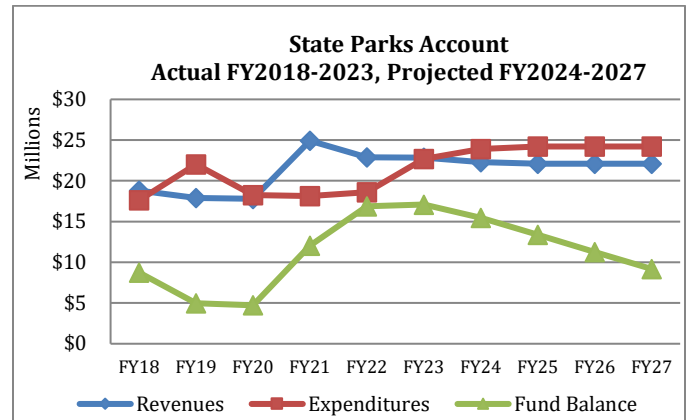
Money in the State Parks Account is available to operate and maintain the state park system, under M.S. 85.055, subd. 2, when appropriated by the legislature. Costs of the DNR electronic licensing system attributable to state park permits also comes out of this account.

In FY21, the State Parks Account was 15 percent of Parks and Trails total division budget.

Financial Summary	FY22	FY23
Beginning fund balance	\$12,025,281	\$16,863,819
Prior year adjustments	\$525,238	\$66,261
Revenues		
Camping Fees	\$10,411,277	\$10,427,703
Park Permits	8,686,093	8,328,446
Park facilities rentals & concessions	2,553,613	2,407,927
Misc Receipts	958,326	1,137,412
Unredeemed gift cards & police st aid	<u>295,376</u>	<u>533,964</u>
Total Revenues	\$22,904,685	\$22,835,453
Expenditures		
Parks and Trails Mgmt	\$18,264,598	\$22,264,661
Enforcement	57,512	150,302
Conservations Corps Minnesota	150,000	150,000
Statewide Indirect	<u>119,274</u>	<u>108,993</u>
Total Expenditures	\$18,591,385	\$22,673,956
Ending fund balance	<u>\$16,863,819</u>	<u>\$17,091,576</u>
Net change	\$4,838,538	\$227,757

Forecast

Camping fees accounted for 46 percent of revenues, park permits were 37 percent, and park facility rentals and concessions were 11 percent. Expenditures are projected to exceed revenues.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

- DNR welcomed over 10 million visits to state parks, with many new and/or current users flocking to parks during the pandemic. There were 1.2 million overnight park visits.
- Completed new campground at Split Rock Lighthouse and rehabilitated campgrounds throughout the system. Expanded a library pass program, which allows state park vehicle permits to be checked out at certain libraries.
- In a typical year, the natural resource management program restores about 540 acres, burns about 4,200 acres and control invasive plants on about 11,900 acres.

Additional Resources

[Minnesota State Parks](#)

[Strategic Conservation Agenda](#)

[State Parks Permits](#)

[Reservations](#)

[State Park Studies](#)

Water Management Account

Brief Overview

- Governing statute: M.S. 103G.27
- Year established: 2011
- Primary Division: Ecological and Water Resources

Sources and Uses of the Funds

Money deposited in the Water Management Account comes from these sources:

- Water Use fees (the majority of revenue comes from this source);
- Fees from Field Inspections;
- Penalties;
- Application fees for water use and public waters work permits;
- Other receipts according to section 103G.271 and 103G.301; and
- Interest earned on money in the account accrues to the account.

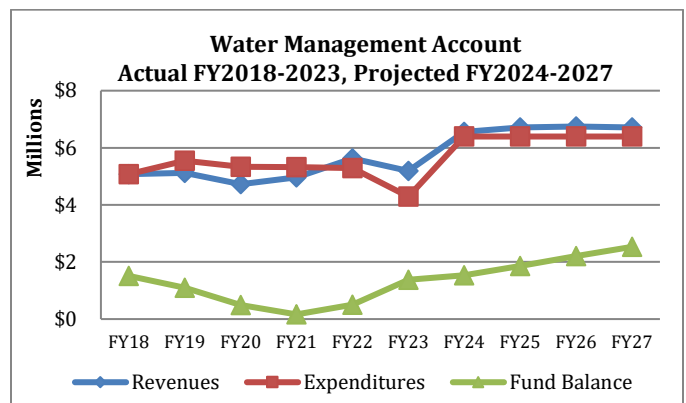
In accordance with M.S. 103G.27, money from this account may only be spent on costs associated with administering Chapter 103G. The Water Management Account supports the following purposes:

- Processing permit applications for water use and working in public waters;
- Processing water use reports and verifying fees;
- Field inspections of proposed public water alteration proposals;
- Dam safety inspections and permit processing cost;
- Public water inventory mapping;
- Calcareous fen protection;
- Surveys of lake outlets and ordinary high water elevations;
- Stream, lake and groundwater gaging work (when related to permit requirements);
- Great Lakes Compact-related work;
- Water conservation;
- Obtaining field survey data for technical analyses; and
- Preparing topographic maps and profiles.

Financial Summary	FY22	FY23
Beginning fund balance	\$163,492	\$499,245
Prior year adjustments	\$2,853	(\$26,969)
Revenues		
Water Fees	\$5,533,645	\$5,132,787
Misc receipts	89,915	58,850
Total Revenues	\$5,623,560	\$5,191,637
Expenditures		
Ecological and Water Resources Mgmt	\$4,996,861	\$3,852,038
Lands and Minerals	\$265,199	\$410,801
Statewide Indirect	\$28,600	\$25,578
Total Expenditures	\$5,290,660	\$4,288,417
Ending fund balance	\$499,245	\$1,375,495
Net change	\$335,753	\$876,251

Forecast

Water use permit fees were increased effective July 1, 2023. The projected revenues exceed appropriations, resulting in a growing fund balance.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

- Completed permit reviews and made decisions on 1,958 water appropriation and 1,7493 public waters permit applications and change requests to existing permits. Completed 470 well construction preliminary assessments.
- Processed 20,857 water use reports and verified correct water use fee payments.
- Issued 33 dam safety permits and permit amendments.
- Inspected 288 dams, including 54 Class 1 high-hazard dams and 94 Class 2 significant-hazard dams.
- Worked on water appropriation and public waters work permits for 8 ferrous/scram and 2 peat mining operations.

- Engaged in environmental review scoping for a non-ferrous operation.
- Continued work with the City of Aurora on a proposed new water supply source as options for pumping water infested with zebra mussels.
- Worked with 2 permittees on developing contingency plans and finding alternative water sources due to the drought-related suspension of appropriation permits and low water levels.
- Continued work on addressing rising water levels in the Canisteo, Hill Annex, and St. James legacy mine pits, including contingency pumping on the Canisteo Pit in winter 2022-23.
- Reviewed proposals for two new scam operations.

Additional Resources

[Water Management](#)

Water Recreation Account

Brief Overview

- Governing statute: M.S. 86B.706
- Year established: 1985
- Public water access sites: 1,700
- Primary divisions: Parks and Trails, Enforcement, Fish and Wildlife, Ecological and Water Resources

Sources and Uses of the Funds

Money deposited in the fund is used for water recreation programs such as public water access, boating facilities, small craft harbors, and water safety.

The majority of money deposited in the Water Recreation Account comes from these sources:

- Fees from registration and titling of watercraft; and
- Unrefunded gasoline tax attributable to watercraft use.

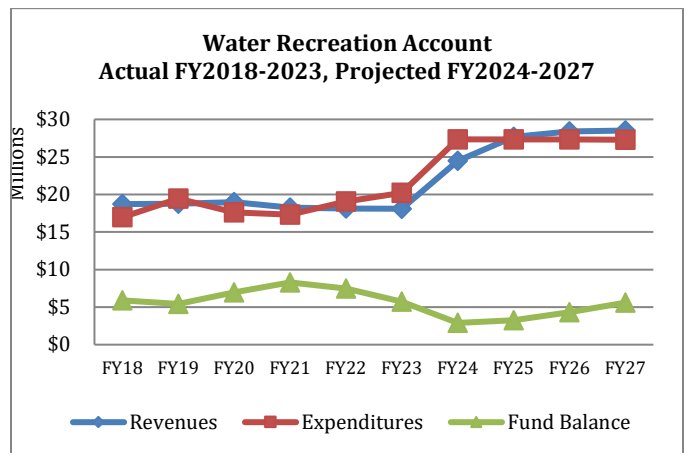
Money in the Water Recreation Account can be used for these purposes:

- Acquisition, development, maintenance, and rehabilitation of public water access and boating facilities on public waters, lake and river improvements, and boat and water safety;
- Maintenance, operation, replacement, and expansion of state-operated or state-assisted small craft harbors and mooring facilities, and the debt service on state bonds sold to finance these facilities;
- Administration and enforcement of Chapter 86B as it pertains to watercraft titling and licensing and the use and safe operation of watercraft;
- Grants for county-sponsored and administered boat and water safety programs;
- State boat and water safety efforts; and
- Management of aquatic invasive species.

Financial Summary	FY22	FY23
Beginning fund balance	\$8,288,599	\$7,469,268
Prior year adjustments	\$123,178	\$403,109
Revenues		
Watercraft Registration	\$6,548,461	\$6,731,205
Misc Receipts	1,113,754	889,953
Unrefunded gasoline tax & police state aid	10,448,799	10,477,544
Total Revenues	\$18,111,014	\$18,098,702
Expenditures		
Parks and Trails Mgmt	\$9,995,223	\$11,660,773
Enforcement	5,484,178	5,147,936
Fish and Wildlife	1,495,647	1,495,942
Ecological and Water Resources Mgmt	1,485,472	1,330,485
Lands and Minerals	60,000	60,000
Conservations Corps Minnesota	35,000	35,000
Statewide Indirect	123,002	122,626
Invasive Species Account	375,000	375,000
Total Expenditures	\$19,053,522	\$20,227,763
Ending fund balance	\$7,469,268	\$5,743,317
Net change	(\$819,331)	(\$1,725,951)

Forecast

Major revenues to this account were watercraft registrations and watercraft titling (totaling 40%) and unrefunded gasoline taxes (57%.) Boat registrations fees were increased effective January 1, 2024. The fund balance is projected to grow due to revenues exceeding appropriations.



Revenue projections reflect the 2024 February Forecast. Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2027.

FY2022-23 Accomplishments

- The DNR maintains 1,685 public water access sites plus 10 small craft harbors on Lake Superior for safe boat launching and retrieval, and 4,500 miles of state water trails on 34

rivers for canoeing, kayaking, boating, and camping. Updated and upgraded chainsaw use in and on water training.

- Creation of water trail priority segment workgroup, which started phase two discussing each water trail.
- The DNR trained 13,031 youth and adults in boating safety. Provided local law enforcement agencies across the state with 144 grants for boating safety education and enforcement.
- Conservation Officers provided 46,026 hours of boating safety work on our lakes and rivers. This work includes safety checks, addressing illegal operation, and search and rescue.
- Completed 5 environmental review need determinations.
- Responded to over 1,900 fish and wildlife kill reports and pollution spill complaints, including hazardous materials spills.
- Hosted and participated in many trainings and education events through Project WET (Water Education for Today).
- Provided technical assistance, GIS layers, and web-based tools to aid local governments with shoreland and river-related program administration, including: assisting with 78 shoreland, LSCR, WSR, and MRCCA ordinances and amendments; providing guidance to 5 groups considering forming Lake Improvement Districts; evaluating shoreland re-classification requests and discrepancies in 12 counties and cities, and refined internal procedures and recordkeeping; following up on 17 annexations involving shorelands and designated rivers; updating shoreland classification GIS layer for basins; and developing new online shoreland classification mapping application.
- Issued more than 12,600 permits to lakeshore property owners to manage aquatic plants for access or reasonable recreational opportunity while protecting fish and wildlife habitat.
- The DNR's License Center issues all watercraft registrations and titles through a Web based ELS available from 175 registration agents (deputy registrars).

- Water Recreation funds are often matched with federal boating access funds and support major improvements to the quality of public water access through development projects. These projects incorporate best management practices for accessibility, storm water runoff, shoreline erosion, and controlling the spread of aquatic invasive species.
 - Water access rehabilitation projects included: Lake Itasca, Itasca State Park, Itasca County; Nisswa Lake, a cooperative effort with the City of Nisswa in Crow Wing County; Lake Superior, Grand Marais, Parkside, Cook County; Diamond Lake, Hennepin County; Minnesota River, Thompson Ferry, Scott County; Twin-Sylvia Lake, Wright County; Lake Tetonka, LeSueur County; Big Sand Lake, Hubbard County, Burntside Lake, Van Vac, St. Louis County, and Dunns Lake, Meeker County.
 - Water Recreation funds also supported preconstruction engineering, design, permitting and construction engineering for the following: Detroit Lake, North, Becker County; Warroad River, Kakageesik, Roseau County; Lake Vermilion, Moccasin Point, St. Louis County; Park Lake, Carlton County; Toad Lake, Becker County; Lake Carlos, Douglas County; Lake Itasca, Itasca State Park, Itasca County; Burntside Lake, Van Vac, St. Louis County; Lower Hay Lake, Crow Wing County; Sugar Lake, Wright County; Minnesota River, Buessmann, Nicollet County; and Cedar River, Mower County.

Additional Resources

[Strategic Conservation Agenda](#)

[State Comprehensive Outdoor Recreation Plan](#)

[Minnesota State Parks Strategic Plan](#)

[Long range conservation plans and strategies](#)