



LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES

CENTENNIAL OFFICE BUILDING, 1ST FLOOR

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Date: June 4, 2025

To: Senator Fong Hawj, Chair, Senate Environment, Climate, and Legacy Committee
Senator Steve Green, Ranking Minority Member, Senate Environment, Climate, and Legacy Committee
Representative Peter Fischer, Co-Chair, House Environment and Natural Resources Finance and Policy Committee
Representative Josh Heintzeman, Co-Chair, House Environment and Natural Resources Finance and Policy Committee
Representative John Burkel, Co-Vice Chair, House Environment and Natural Resources Finance and Policy Committee
Representative Kristi Pursell, Co-Vice Chair, House Environment and Natural Resources Finance and Policy Committee

CC: LCCMR Executive Committee members
Jim Janssen, Town of Crane Lake

From: Becca Nash, Director

Re: 15- day notice prior to approval of conveyance of interests in land acquired with ENRTF funds

Minnesota Statute 116P.15 (below) requires that the Legislative-Citizen Commission on Minnesota Resource (LCCMR) notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the Environment and Natural Resources Trust Fund (ENRTF) at least 15 business days before approval of conveyance of land or interest in land acquired with ENRTF funds.

In compliance with this statute, I am writing to you on behalf of the LCCMR regarding a request from the Town of Crane Lake to convey to the Minnesota Pollution Control Agency a perpetual environmental covenant and easement on approximately 28 acres of land acquired with ENRTF funds on December 21, 2017, that also includes a building subsequently constructed using ENRTF funds. **LCCMR intends to approve this request on June 24, 2025. Please let me know in advance of this date if you have questions or concerns.**

The property subject to the proposed covenant and easement is the location of releases or threatened releases of petroleum compounds that are addressed by an environmental response project under the MPCA Petroleum Brownfields Program pursuant to Minn. Stat. § 115C. The petroleum release occurred in 2010. As part of the environmental response project in 2022, corrective action to the release was conducted, including water treatment, soil removal, and replacement of monitoring wells. Following MPCA approval of a response action plan developed by the Town of Crane Lake, a vapor mitigation system below the building was installed prior to construction. The environmental covenant and easement memorializes the property owner's obligation to operate, monitor, and maintain the vapor intrusion mitigation system in the building following the building's construction.

The covenant and easement also provides MPCA access to inspect the property to evaluate the owner's compliance with the obligations of the covenant, monitor response actions connected to the MPCA-approved response action project, take further response actions deemed reasonable and necessary by the MPCA to protect public health and welfare and the environment from the identified release of petroleum, and to

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dismantle and close such response actions including closure of monitoring wells in accordance with State law and rules.

The letter requesting the environmental covenant and access easement and additional materials are attached.

Minnesota Statute 116P.15 LAND ACQUISITION RESTRICTIONS.

Subdivision 1. Scope

A recipient of an appropriation from the trust fund or the Minnesota future resources fund who acquires an interest in real property with the appropriation must comply with this section. For the purposes of this section, "interest in real property" includes, but is not limited to, an easement or fee title to property.

A recipient of an appropriation from the trust fund or the Minnesota future resources fund who acquires an interest in real property with the appropriation must comply with subdivision 2. A recipient of an appropriation from the trust fund who uses any portion of the appropriation for a capital construction project with a total cost of \$10,000 or more must comply with subdivision 3.

Subd. 2. Restrictions; modification procedure.

(a) An easement, fee title, or other interest in real property acquired with an appropriation from the trust fund or the Minnesota future resources fund must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation.

(b) A recipient of funding who acquires an interest in real property subject to this section may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the commission or its successor. The commission shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the trust fund or Minnesota future resources fund at least 15 business days before approval under this paragraph. The commission shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:

(1) the interest must be at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and

(2) the interest must be in a reasonably equivalent location, and have a reasonably equivalent useful conservation purpose compared to the interest being replaced, taking into consideration all effects from fragmentation of the whole habitat.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this section; and

(4) the following statement:

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"This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation.

History:

[1Sp2001 c 2 s 141](#); [2002 c 225 s 4](#); [2006 c 243 s 21](#); [2013 c 52 s 6](#); [2023 c 60 art 2 s 8](#)