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UPDATED: December 23, 2024

Environment and Natural Resources Trust Fund (ENRTF) Easement Acquisition Requirements

The following information provides guidance on requirements for easement efforts undertaken using monies from the ENRTF. These should be considered minimum requirements and may be modified in the future.

Project Requirements for ENRTF-Funded Easement Acquisition Efforts

A. Parcel selection

1. Priority must be given to high quality natural resources or conservation lands that provide multiple benefits and natural buffers to water resources.
2. Lands must be identified in an adopted state, regional, or local natural resource plan.
3. An explanation of the selection and prioritization process for the lands to be acquired must be provided as part of the proposal and workplan.
4. Lands to be acquired must not already be fully or partially protected by state ownership or state funds. Exceptions may apply. See [M.S. 116P.18](#) for more information.
5. Commissioner approval of any lands to be acquired must be obtained. The approval should be sent to LCCMR no later than 10 days prior to closing. See [M.S. 116P.17](#) for more information.
6. For each parcel to be conveyed to a State of Minnesota Entity (e.g. DNR) after purchase, a statement needs to be provided in the workplan confirming that county board approval will be obtained.
7. Lands must not be acquired by eminent domain, unless the owner requests that the owner's property be acquired by eminent domain. See [M.S. 116P.08, Subd. 2](#) for more information.

B. Restoration Plan & Implementation

1. A management and restoration plan is required for all parcels to be acquired. See "[Environment and Natural Resources Trust Fund \(ENRTF\) Restoration Requirements](#)" for additional details.
2. Sufficient funding for development and implementation of the management plan must be included in your proposal and subsequent work plan. If no funding is requested, your proposal and work plan must address why funding is not needed.

C. Long term Monitoring and Enforcement

1. All conservation easement acquisition projects must have a long-term monitoring and enforcement plan and dedicate funding for ongoing monitoring and enforcing the easement agreement.

D. Conservation Easement Agreement

1. All conservation easements must:
 - a. Be permanent.
 - b. Specify all of the provisions of an agreement that are permanent.

- c. Specify the parties to the easement.
- d. Include requirements in the easement document to address specific groundwater and surface water quality protection activities such as keeping water on the landscape, reducing nutrient and contaminant loading, protecting groundwater, and not permitting artificial hydrological modifications.
- e. Be provided in draft form to the office of the Legislative-Citizen Commission on Minnesota Resources in an electronic format at least 10 days prior to closing.

E. Valuation, Cost Reporting, and Transaction

1. A notice of funding restriction must be placed on the property at closing to ensure the intended use of the land is not altered. See [M.S. 116P.15](#) for more details.
2. At least 10 business days before acquiring an interest in land, the following financial information must be submitted to LCCMR staff for review: the most recent tax assessed value and tax statement, the appraised value, and the proposed purchase price for the property. See [M.S. 116P.17, Subd. 2](#) for more details.
3. No more than 100 percent of the appraised value may be paid for a parcel of land using this money to complete the purchase, in part or in whole, except that up to ten percent above the appraised value may be allowed to complete the purchase, in part or in whole, using this money if permission is received in advance of the purchase from the Legislative-Citizen Commission on Minnesota Resources.
4. Within 60 days following the transaction, a report must be provided to the LCCMR and all parties to the transaction that documents all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. The report must also include documentation of any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted.
5. Some types of donations in connection with a transaction are restricted. See [M.S. 116P.19](#) for more information.
6. Additional land acquisition requirements apply for non- state entities. See MNDNR's [Attachment E](#) for more information.

F. Ongoing Reporting

1. A report must be submitted to the LCCMR by December 1 each year confirming, among other things, that the intended use of the property has not changed. See [M.S. 116P.16](#) for more information.
2. If funds are appropriated for easement monitoring and enforcement, annual financial reporting to LCCMR is required and reversion conditions apply. See [M.S. 116P.20](#) for more information.

G. Additional Requirements for Land Interests Acquired with ENRTF funds for Capital Construction Purposes:

1. Match and Full Funding*
 - a. Full funding to complete the project or project phase must be legally committed and determined sufficient before ENRTF funding will be released for construction. See [M.S. 116P.21 Subd. 1](#) for more information.
 - b. A non-ENRTF match (cash or in-kind) of at least 25% of the total costs to complete the project or project phase is required. See [M.S. 116P.21 Subd. 2](#) for more information.
2. Consultation and Review
 - a. Compliance with state requirements for historic and archeological review to avoid adverse impacts to historic and archaeological properties. Early consultation with the Minnesota State Historic Preservation Office (SHPO) is highly recommended. See [M.S. 138.40, subd. 3](#); [M.S. 138.665, subd. 2](#); [M.S. 138.666](#) and visit the [SHPO site](#) for more information.

H. Funding Acknowledgement and Signage

Acknowledgement of financial support from the ENRTF is a legal requirement of all ENRTF appropriations. A durable and fixed sign acknowledging funding from the ENRTF must be displayed in a prominent location at the main entrance of the project site once construction is completed and prior to the site opening for use. See ENRTF [acknowledgement requirements](#) for how to satisfy this requirement.

*Effective for projects funded on or after July 1, 2025