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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **569**

01/31/2019 Authored by Ecklund, Sandstede, Lislegard, Sundin and Murphy
The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy

1.1 A bill for an act
1.2 relating to state lands; modifying provisions for managing tax-forfeited lands;
1.3 authorizing private sale of certain tax-forfeited land; amending Minnesota Statutes
1.4 2018, section 282.01, subdivision 4; Laws 2012, chapter 236, section 28,
1.5 subdivisions 2, as amended, 9, as amended.

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

1.7 Section 1. Minnesota Statutes 2018, section 282.01, subdivision 4, is amended to read:

1.8 Subd. 4. **Sale; method; requirements; effects.** (a) The sale authorized under subdivision
1.9 3 must be conducted by the county auditor at the county seat of the county in which the
1.10 parcels lie, except that in St. Louis and Koochiching Counties, the sale may be conducted
1.11 in any ~~county~~ designated facility within the county. The sale must not be for less than the
1.12 appraised value except as provided in subdivision 7a. The parcels must be sold for cash
1.13 only, unless the county board of the county has adopted a resolution providing for their sale
1.14 on terms, in which event the resolution controls with respect to the sale. When the sale is
1.15 made on terms other than for cash only (1) a payment of at least ten percent of the purchase
1.16 price must be made at the time of purchase, and the balance must be paid in no more than
1.17 ten equal annual installments, or (2) the payments must be made in accordance with county
1.18 board policy, but in no event may the board require more than 12 installments annually,
1.19 and the contract term must not be for more than ten years. Standing timber or timber products
1.20 must not be removed from these lands until an amount equal to the appraised value of all
1.21 standing timber or timber products on the lands at the time of purchase has been paid by
1.22 the purchaser. If a parcel of land bearing standing timber or timber products is sold at public
1.23 auction for more than the appraised value, the amount bid in excess of the appraised value
1.24 must be allocated between the land and the timber in proportion to their respective appraised

2.1 values. In that case, standing timber or timber products must not be removed from the land
2.2 until the amount of the excess bid allocated to timber or timber products has been paid in
2.3 addition to the appraised value of the land. The purchaser is entitled to immediate possession,
2.4 subject to the provisions of any existing valid lease made in behalf of the state.

2.5 (b) For sales occurring on or after July 1, 1982, the unpaid balance of the purchase price
2.6 is subject to interest at the rate determined pursuant to section 549.09. The unpaid balance
2.7 of the purchase price for sales occurring after December 31, 1990, is subject to interest at
2.8 the rate determined in section 279.03, subdivision 1a. The interest rate is subject to change
2.9 each year on the unpaid balance in the manner provided for rate changes in section 549.09
2.10 or 279.03, subdivision 1a, whichever, is applicable. Interest on the unpaid contract balance
2.11 on sales occurring before July 1, 1982, is payable at the rate applicable to the sale at the
2.12 time that the sale occurred.

2.13 (c) Notwithstanding subdivision 7, a county board may by resolution provide for the
2.14 listing and sale of individual parcels by other means, including through a real estate broker.
2.15 However, if the buyer under this paragraph could have repurchased a parcel of property
2.16 under section 282.012 or 282.241, that buyer may not purchase that same parcel of property
2.17 at the sale under this subdivision for a purchase price less than the sum of all taxes,
2.18 assessments, penalties, interest, and costs due at the time of forfeiture computed under
2.19 section 282.251, and any special assessments for improvements certified as of the date of
2.20 sale. This subdivision shall be liberally construed to encourage the sale and utilization of
2.21 tax-forfeited land in order to eliminate nuisances and dangerous conditions and to increase
2.22 compliance with land use ordinances.

2.23 Sec. 2. Laws 2012, chapter 236, section 28, subdivision 2, as amended by Laws 2016,
2.24 chapter 154, section 9, is amended to read:

2.25 Subd. 2. **Method of sale.** (a) The leaseholder of a leased parcel may purchase at private
2.26 sale the leased parcel and any other lands allocated to the parcel by the county under
2.27 subdivision 6 that is offered for sale under this section. The purchase price is the appraised
2.28 value of the land under subdivision 3 exclusive of improvements on it. To purchase a parcel,
2.29 a leaseholder must pay in cash to the county an amount equal to the appraised value of the
2.30 land within 180 days from the date of mailing to or service of notice of appraised value to
2.31 the leaseholder by the county. The 180-day period runs from the date of mailing of a copy
2.32 of the appraisal to the leaseholder at the address shown upon the most recent lease agreement
2.33 between the parties, exclusive of the date of mailing or service. The county may use any

3.1 alternative method of notice under the Minnesota Rules of Civil Procedure for the service
3.2 of a summons and complaint.

3.3 (b) If the leaseholder does not purchase the parcel so offered, the county may offer the
3.4 lands for sale under the provisions of Minnesota Statutes, section 282.01, subdivision 7. If
3.5 a person other than the leaseholder purchases the parcel, the purchaser must make payment
3.6 in full to the leaseholder in the manner provided in Minnesota Statutes, section 92.06,
3.7 subdivision 4, for the value of any improvements as determined under subdivision 3 or for
3.8 the value of any improvements as determined through negotiations.

3.9 (c) Failure of a purchaser to comply with the terms of payment voids the sale and the
3.10 property may be reoffered for sale.

3.11 Sec. 3. Laws 2012, chapter 236, section 28, subdivision 9, as amended by Laws 2016,
3.12 chapter 154, section 11, is amended to read:

3.13 Subd. 9. **Sunset.** This section expires ~~seven~~ ten years after the effective date.

3.14 Sec. 4. **LEASE; TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

3.15 (a) Notwithstanding Minnesota Statutes, section 282.04, or other law to the contrary,
3.16 St. Louis County may enter into a lease for the tax-forfeited lands described in paragraph
3.17 (b) for consideration of more than \$12,000 per year.

3.18 (b) The lands to be leased are located in St. Louis County and are described as:

3.19 (1) a 10.0-acre site in the Southeast Quarter, Section 15, Township 56 North, Range 17
3.20 West, to be used for a telecommunications tower and a 33-foot-wide strip of land, 16.5 feet
3.21 on either side of the centerline in the Southeast Quarter, Section 32, Township 56 North,
3.22 Range 17 West, to be used for an access road to the tower site; and

3.23 (2) a 10.0-acre site in the West Half, Section 32, Township 60 North, Range 21 West,
3.24 to be used for a telecommunications tower and a 33-foot-wide strip of land, 16.5 feet on
3.25 either side of the centerline in the West Half, Section 32, Township 60 North, Range 21
3.26 West, to be used for an access road to the tower site.

3.27 Sec. 5. **ACCESS TO TIMBER ON TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

3.28 (a) Notwithstanding Minnesota Statutes, section 160.83, or other law to the contrary,
3.29 St. Louis County or its agents or assigns may operate vehicles used for timber harvesting
3.30 and hauling or for transporting equipment and appurtenances incidental to timber harvesting,

4.1 gravel, and other road-building materials for timber haul roads on designated rustic roads
 4.2 to access tax-forfeited lands for sustainable forest management.

4.3 (b) The tax-forfeited lands to be accessed are located in St. Louis County in Sections
 4.4 26, 27, and 35, Township 53 North, Range 12 West.

4.5 (c) The rustic roads used for forest management must be immediately repaired if damaged
 4.6 and must be maintained in their preharvest condition.

4.7 (d) The county has determined that the county's sustainable forest management
 4.8 responsibilities would best be served by using existing public roads to access tax-forfeited
 4.9 land rather than building new roads.

4.10 **Sec. 6. PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

4.11 (a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or
 4.12 other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands
 4.13 described in paragraph (c).

4.14 (b) The conveyances must be in a form approved by the attorney general. The attorney
 4.15 general may make changes to the land descriptions to correct errors and ensure accuracy.

4.16 (c) The lands to be sold are located in St. Louis County and are described as:

4.17 (1) that part of the Southwest Quarter of the Southwest Quarter lying North of Norton
 4.18 Road and West of Howard Gnesen Road, except the easterly 95 feet of the westerly 890
 4.19 feet and except the westerly 300 feet, Section 3, Township 50, Range 14 (parcel identification
 4.20 number 010-2710-00549);

4.21 (2) Lot 5, except the northerly three feet and except the southerly ten feet, West Duluth
 4.22 Fifth Division, Section 7, Township 49, Range 14 (parcel identification number
 4.23 010-4510-06740);

4.24 (3) the Southeast Quarter of the Northeast Quarter, except 4.24 acres for the highway
 4.25 and except the part platted as Clayton Acres and except the highway right-of-way and except
 4.26 6.44 acres of the adjacent plat and except the part North of Highway 169, Section 28,
 4.27 Township 57, Range 21 (parcel identification number 141-0050-05470);

4.28 (4) that part of the West 420 feet of the Southeast Quarter of the Northwest Quarter lying
 4.29 South of the northerly line of Government Lot 6, except that part beginning at the southwest
 4.30 corner; thence easterly along the southerly boundary 420 feet to a point; thence northerly
 4.31 and parallel with the westerly boundary of said Southeast Quarter of the Northwest Quarter
 4.32 177.95 feet to a point; thence North 67 degrees 38 minutes 35 seconds West to a point on

5.1 the westerly boundary of said Southeast Quarter of the Northwest Quarter; thence southerly
5.2 along said westerly boundary approximately 364.12 feet to the point of beginning, Section
5.3 26, Township 57, Range 18 (parcel identification number 295-0017-00326);

5.4 (5) the South Half of the Northwest Quarter, Section 15, Township 56, Range 18 (parcel
5.5 identification number 435-0010-02590);

5.6 (6) part of the East 400 feet of the Southeast Quarter, Section 14, Township 63, Range
5.7 13 (part of parcel identification number 465-0020-01965);

5.8 (7) part of the Northeast Quarter of the Southwest Quarter, Lots 2 and 3, Section 20,
5.9 Township 54, Range 13 (part of parcel identification number 620-0010-03130); and

5.10 (8) Lots 2, 3, 4, and 5, including auditor's plat of Chandler Addition to Ely, Section 28,
5.11 Township 63, Range 12 (parcel identification number 030-0030-03530).

5.12 (d) The county has determined that the county's land management interests would best
5.13 be served if the lands were returned to private ownership.