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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **1359**

02/16/2017 Authored by Ecklund, Metsa and Layman

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance

03/09/2017 Adoption of Report: Re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; Sustainable Forest Incentive Act; modifying provisions for
1.3 withdrawal of land from program for certain paved trails; amending Minnesota
1.4 Statutes 2016, sections 290C.02, subdivision 6; 290C.07; 290C.10.

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

1.6 Section 1. Minnesota Statutes 2016, section 290C.02, subdivision 6, is amended to read:

1.7 Subd. 6. **Forest land.** "Forest land" means land containing a minimum of 20 contiguous
1.8 acres for which the owner has implemented a forest management plan that was prepared or
1.9 updated within the past ten years by an approved plan writer. For purposes of this subdivision,
1.10 acres are considered to be contiguous even if they are separated by a road, waterway, railroad
1.11 track, or other similar intervening property. At least 50 percent of the contiguous acreage
1.12 must meet the definition of forest land in section 88.01, subdivision 7. For the purposes of
1.13 sections 290C.01 to ~~290C.11~~ 290C.13, forest land does not include (i) land used for
1.14 residential or agricultural purposes, (ii) land enrolled in the reinvest in Minnesota program,
1.15 a state or federal conservation reserve or easement reserve program under sections 103F.501
1.16 to 103F.531, the Minnesota agricultural property tax law under section 273.111, or land
1.17 subject to agricultural land preservation controls or restrictions as defined in section 40A.02
1.18 or under the Metropolitan Agricultural Preserves Act under chapter 473H, (iii) land exceeding
1.19 60,000 acres that is subject to a single conservation easement funded under section 97A.056
1.20 or a comparable permanent easement conveyed to a governmental or nonprofit entity; (iv)
1.21 any land that becomes subject to a conservation easement funded under section 97A.056
1.22 or a comparable permanent easement conveyed to a governmental or nonprofit entity after
1.23 May 30, 2013; or (v) land improved with a structure, pavement, other than a paved trail
1.24 under easement, lease, or terminable license to the state of Minnesota or a political

2.1 subdivision; sewer; campsite; or any road, other than a township road, used for purposes
2.2 not prescribed in the forest management plan.

2.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.4 Sec. 2. Minnesota Statutes 2016, section 290C.07, is amended to read:

2.5 **290C.07 CALCULATION OF INCENTIVE PAYMENT.**

2.6 An approved claimant under the sustainable forest incentive program is eligible to receive
2.7 an annual payment for each acre of enrolled land, excluding any acre improved with a paved
2.8 trail under easement, lease, or terminable license to the state of Minnesota or a political
2.9 subdivision. The payment shall equal \$7 per acre for each acre enrolled in the sustainable
2.10 forest incentive program.

2.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.12 Sec. 3. Minnesota Statutes 2016, section 290C.10, is amended to read:

2.13 **290C.10 WITHDRAWAL PROCEDURES.**

2.14 (a) An approved claimant under the sustainable forest incentive program for a minimum
2.15 of four years may notify the commissioner of the intent to terminate enrollment. Within 90
2.16 days of receipt of notice to terminate enrollment, the commissioner shall inform the claimant
2.17 in writing, acknowledging receipt of this notice and indicating the effective date of
2.18 termination from the sustainable forest incentive program. Termination of enrollment in
2.19 the sustainable forest incentive program occurs on January 1 of the fifth calendar year that
2.20 begins after receipt by the commissioner of the termination notice. After the commissioner
2.21 issues an effective date of termination, a claimant wishing to continue the land's enrollment
2.22 in the sustainable forest incentive program beyond the termination date must apply for
2.23 enrollment as prescribed in section 290C.04. A claimant who withdraws a parcel of land
2.24 from this program may not reenroll the parcel for a period of three years. Within 90 days
2.25 after the termination date, the commissioner shall execute and acknowledge a document
2.26 releasing the land from the covenant required under this chapter. The document must be
2.27 mailed to the claimant and is entitled to be recorded.

2.28 (b) Notwithstanding paragraph (a), the commissioner may allow early withdrawal from
2.29 the Sustainable Forest Incentive Act without penalty when the state of Minnesota, any local
2.30 government unit, or any other entity which has the power of eminent domain acquires title
2.31 or possession to the land for a public purpose ~~notwithstanding the provisions of this section.~~
2.32 In the case of ~~such~~ an eligible acquisition under this paragraph, the commissioner shall

3.1 execute and acknowledge a document releasing the land acquired by the state, local
3.2 government unit, or other entity from the covenant. All other enrolled land must remain in
3.3 the program.

3.4 (c) Notwithstanding paragraph (a), upon request of the claimant, the commissioner shall
3.5 allow early withdrawal from the Sustainable Forest Incentive Act without penalty for land
3.6 that is subject to fee or easement acquisition or lease to the state of Minnesota or a political
3.7 subdivision of the state for the public purpose of a paved trail. The commissioner of natural
3.8 resources must notify the commissioner of lands acquired under this paragraph that are
3.9 eligible for withdrawal. In the case of an eligible fee or easement acquisition or lease under
3.10 this paragraph, the commissioner shall execute and acknowledge a document releasing the
3.11 land subject to fee or easement acquisition or lease by the state or political subdivision of
3.12 the state.

3.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.