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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. **889**

02/08/2021

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

1.1 A bill for an act

1.2 relating to state lands; modifying certain tax-forfeited land sale requirements;

1.3 amending Minnesota Statutes 2020, sections 85.012, subdivision 1; 282.01,

1.4 subdivision 3; 282.011, subdivision 1; 282.018, subdivision 1; 282.02; 459.06,

1.5 subdivision 3.

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

1.7 Section 1. Minnesota Statutes 2020, section 85.012, subdivision 1, is amended to read:

1.8 Subdivision 1. **State parks generally.** (a) State parks established and confirmed as state

1.9 parks together with the counties in which they are situated are listed in this section and shall

1.10 be named as indicated in this section.

1.11 (b) The lands described in the session laws establishing or changing the boundaries of

1.12 each state park are included in the state parks so established or changed. The commissioner

1.13 of natural resources is authorized to acquire by gift or purchase the lands as described. ~~Any~~

1.14 ~~land which now is or hereafter becomes tax-forfeited land and is located within the described~~

1.15 ~~park boundaries is hereby withdrawn from sale and is transferred from the custody, control,~~

1.16 ~~and supervision of the county board of the county to the commissioner of natural resources,~~

1.17 ~~free from any trust in favor of the interested taxing districts. The commissioner shall execute~~

1.18 ~~a certificate of acceptance of the lands on behalf of the state for such purposes and transmit~~

1.19 ~~the same to the county auditor of the county for record as provided by law in the case of~~

1.20 ~~tax-forfeited land transferred to the commissioner by resolution of the county board for~~

1.21 ~~conservation purposes. Any lands within the described boundaries which may be owned by~~

1.22 the United States and managed by any of its agents may be acquired by land exchange,

1.23 direct transfer, or purchase as federal laws may prescribe. The lands acquired pursuant to

any session laws establishing or changing the boundaries of a state park shall be administered in the manner provided for state parks and shall be perpetually dedicated for such use.

Sec. 2. Minnesota Statutes 2020, section 282.01, subdivision 3, is amended to read:

Subd. 3. Nonconservation lands; appraisal and sale. (a) All parcels of land classified as nonconservation, except those which may be reserved, shall be sold as provided, if it is determined, by the county board of the county in which the parcels lie, that it is advisable to do so, having in mind their accessibility, their proximity to existing public improvements, and the effect of their sale and occupancy on the public burdens. Any parcels of land proposed to be sold shall be first appraised by the county board of the county in which the parcels lie. The parcels may be reappraised whenever the county board deems it necessary to carry out the intent of sections 282.01 to 282.13.

(b) In an appraisal, the value of the land and any standing timber on it ~~shall~~ may be separately determined. No parcel of land containing any standing timber may be sold until the appraised value of the timber on it and the sale of the land have been approved by the ~~commissioner of natural resources~~ county board. ~~The commissioner shall base review of a proposed sale on the policy and considerations specified in subdivision 1. The decision of the commissioner shall be in writing and shall state the reasons for it. The commissioner's decision is exempt from the rulemaking provisions of chapter 14 and section 14.386 does not apply. The county may appeal the decision of the commissioner in accordance with chapter 14.~~

~~(c) In any county in which a state forest or any part of it is located, the county auditor shall submit to the commissioner at least 60 days before the first publication of the list of lands to be offered for sale a list of all lands included on the list which are situated outside of any incorporated municipality. If, at any time before the opening of the sale, the commissioner notifies the county auditor in writing that there is standing timber on any parcel of land, the parcel shall not be sold unless the requirements of this section respecting the separate appraisal of the timber and the approval of the appraisal by the commissioner have been complied with. The commissioner may waive the requirement of the 60-day notice as to any parcel of land which has been examined and the timber value approved as required by this section.~~

~~(d)~~ (c) If any public improvement is made by a municipality after any parcel of land has been forfeited to the state for the nonpayment of taxes, and the improvement is assessed in whole or in part against the property benefited by it, the clerk of the municipality shall certify to the county auditor, immediately upon the determination of the assessments for

the improvement, the total amount that would have been assessed against the parcel of land if it had been subject to assessment; or if the public improvement is made, petitioned for, ordered in or assessed, whether the improvement is completed in whole or in part, at any time between the appraisal and the sale of the parcel of land, the cost of the improvement shall be included as a separate item and added to the appraised value of the parcel of land at the time it is sold. No sale of a parcel of land shall discharge or free the parcel of land from lien for the special benefit conferred upon it by reason of the public improvement until the cost of it, including penalties, if any, is paid. The county board shall determine through an appraisal the amount, if any, by which the value of the parcel was enhanced by the improvement and include the amount as a separate item in fixing the appraised value for the purpose of sale.

Sec. 3. Minnesota Statutes 2020, section 282.011, subdivision 1, is amended to read:

Subdivision 1. **Classification, sale, procedures and conditions.** Any lands which have become the absolute property of the state through forfeiture for nonpayment of taxes and which have been classified by the county board as conservation lands under the provisions of section 282.01, or have been classified as nonagricultural lands under the provisions of section 282.14, or any such lands which shall hereafter be so classified, may be designated by the county board of the county in which such lands lie, by resolution duly adopted, as appropriate and primarily suitable for either specific conservation purposes or for auxiliary forest lands. Any resolution so adopted, together with a list of the lands involved shall be forwarded to the ~~commissioner of natural resources who shall promptly approve or disapprove the whole or any part thereof. The commissioner shall thereupon make a certificate showing the lands approved, transmit the same to the~~ county auditor who shall record the same. Lands so designated ~~and so approved~~ shall thereupon be appraised and the whole, or any part thereof, may be offered for sale and sold in the same manner as provided for the sale of lands classified as nonconservation lands under section 282.01, or as agricultural lands under section 282.14, as the case may be, according to the status of such lands upon forfeiture. The right to a deed of conveyance to such property accorded the purchaser at any such sale ~~shall~~ may be conditioned upon the lands being placed in an auxiliary forest or used for designated conservation purposes as designated by the resolution of the county board.

Sec. 4. Minnesota Statutes 2020, section 282.018, subdivision 1, is amended to read:

Subdivision 1. **Land on or adjacent to public waters.** (a) All land ~~which~~ that is the property of the state as a result of forfeiture to the state for nonpayment of taxes, regardless of whether the land is held in trust for taxing districts, and ~~which~~ that borders on or is

adjacent to meandered lakes and other public waters and watercourses, ~~and the live timber growing or being thereon, is hereby withdrawn from sale~~ may be sold, except as hereinafter provided, if the authority having jurisdiction over the land determines that it is in the public interest to do so. The authority having jurisdiction over the timber on any of these lands may sell the timber as otherwise provided by law for cutting and removal under the conditions as the authority may prescribe in accordance with approved, sustained yield forestry practices. The authority having jurisdiction over the timber ~~shall~~ may reserve the timber and impose the conditions as the authority deems necessary for the protection of watersheds, wildlife habitat, shorelines, and scenic features. Within the area in Cook, Lake, and St. Louis counties described in the Act of Congress approved July 10, 1930 (46 Stat. 1020), the timber on tax-forfeited lands shall be subject to like restrictions as are now imposed by that act on federal lands.

(b) Of all tax-forfeited land bordering on or adjacent to meandered lakes and other public waters and watercourses ~~and so withdrawn from sale~~, a strip two rods in width, the ordinary high-water mark being the waterside boundary thereof, and the land side boundary thereof being a line drawn parallel to the ordinary high-water mark and two rods distant landward therefrom, ~~hereby is~~ may be reserved for public travel thereon, and whatever the conformation of the shore line or conditions require, the authority having jurisdiction over these lands ~~shall~~ may reserve a wider strip for these purposes.

~~(c) Any tract or parcel of land which has 150 feet or less of waterfront may be sold by the authority having jurisdiction over the land, in the manner otherwise provided by law for the sale of the lands, if the authority determines that it is in the public interest to do so. Any tract or parcel of land within a plat of record bordering on or adjacent to meandered lakes and other public waters and watercourses may be sold by the authority having jurisdiction over the land, in the manner otherwise provided by law for the sale of the lands, if the authority determines that it is in the public interest to do so. If the authority having jurisdiction over the land is not the commissioner of natural resources, the land may not be offered for sale without the prior approval of the commissioner of natural resources.~~

~~(d) Where the authority having jurisdiction over lands withdrawn from sale under this section is not the commissioner of natural resources, the authority may submit proposals for disposition of the lands to the commissioner. The commissioner of natural resources shall evaluate the lands and their public benefits and make recommendations on the proposed dispositions to the committees of the legislature with jurisdiction over natural resources. The commissioner shall include any recommendations of the commissioner for disposition of lands withdrawn from sale under this section over which the commissioner has jurisdiction.~~

~~The commissioner's recommendations may include a public sale, sale to a private party, acquisition by the Department of Natural Resources for public purposes, or a cooperative management agreement with, or transfer to, another unit of government.~~

~~(e) Notwithstanding this subdivision, a county may sell property governed by this section upon written authorization from the commissioner of natural resources. Prior to the sale or conveyance of lands under this subdivision, the county board must give notice of its intent to meet for that purpose as provided in section 282.01, subdivision 1.~~

Sec. 5. Minnesota Statutes 2020, section 282.02, is amended to read:

**282.02 LIST OF LANDS FOR SALE; NOTICE; ONLINE AUCTIONS
PERMITTED.**

(a) Immediately after classification and appraisal of the land, ~~and after approval by the commissioner of natural resources when required pursuant to section 282.01, subdivision 3,~~ the county board shall provide and file with the county auditor a list of parcels of land to be offered for sale. This list shall contain a description of the parcels of land and the appraised value thereof. The auditor shall publish a notice of the intended public sale of such parcels of land and a copy of the resolution of the county board fixing the terms of the sale, if other than for cash only, by publication once a week for two weeks in the official newspaper of the county, the last publication to be not less than ten days previous to the commencement of the sale.

(b) The notice shall include the parcel's description and appraised value. The notice shall also indicate the amount of any special assessments which may be the subject of a reassessment or new assessment or which may result in the imposition of a fee or charge pursuant to sections 429.071, subdivision 4, 435.23, and 444.076. The county auditor shall also mail notice to the owners of land adjoining the parcel to be sold. For purposes of this section, "owner" means the taxpayer as listed in the records of the county auditor.

(c) If the county board determines that the sale shall take place in a county facility other than the courthouse, the notice shall specify the facility and its location. If the county board determines that the sale shall take place as an online auction under section 282.01, subdivision 13, the notice shall specify the auction website and the date of the auction.

(d) A county board may require one or more of the parcels of land listed for sale to be subject to taxation by prohibiting an individual or entity with tax-exempt status from purchasing the property. The notice of intended sale for a parcel with this prohibition must state that the prohibition applies to the parcel.

6.1 Sec. 6. Minnesota Statutes 2020, section 459.06, subdivision 3, is amended to read:

6.2 Subd. 3. **Withdrawal of tax-forfeited lands.** Any tax-forfeited land which has been
6.3 included in a memorial forest established in any county under the provisions of subdivision
6.4 2, and which is found more suitable for other purposes may by resolution of the county
6.5 board be withdrawn from the forest for disposal as tax-forfeited land if the commissioner
6.6 of natural resources approves the sale of such land.