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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1552

02/25/2021 Authored by Munson and Lucero The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; tax-forfeited land sales; requiring the county auditor to return
1.3 a portion of sale proceeds to the previous owner; amending Minnesota Statutes
1.4 2020, sections 282.05; 282.08; 282.09, subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2020, section 282.05, is amended to read:

1.7 282.05 PROCEEDS APPORTIONED.

1.8 The net proceeds received from the sale or rental of forfeited lands shall be apportioned
1.9 to the general funds of the state or municipal subdivision thereof, in the manner provided
1.10 in section 282.08, clauses (1) to (3).

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

1.12 Sec. 2. Minnesota Statutes 2020, section 282.08, is amended to read:

1.13 282.08 APPORTIONMENT OF PROCEEDS TO TAXING DISTRICTS.

1.14 The net proceeds from the sale or rental of any parcel of forfeited land, or from the sale
1.15 of products from the forfeited land, must be apportioned by the county auditor to the taxing
1.16 districts interested in the land, as follows:

1.17 (1) the portion required to pay any amounts included in the appraised value under section
1.18 282.01, subdivision 3, as representing increased value due to any public improvement made
1.19 after forfeiture of the parcel to the state, but not exceeding the amount certified by the
1.20 appropriate governmental authority must be apportioned to the governmental subdivision
1.21 entitled to it;

2.1 (2) the portion required to pay any amount included in the appraised value under section
 2.2 282.019, subdivision 5, representing increased value due to response actions taken after
 2.3 forfeiture of the parcel to the state, but not exceeding the amount of expenses certified by
 2.4 the Pollution Control Agency or the commissioner of agriculture, must be apportioned to
 2.5 the agency or the commissioner of agriculture and deposited in the fund from which the
 2.6 expenses were paid;

2.7 (3) the portion of the remainder required to discharge any special assessment chargeable
 2.8 against the parcel for drainage or other purpose whether due or deferred at the time of
 2.9 forfeiture, must be apportioned to the governmental subdivision entitled to it; and

2.10 (4) any balance must be ~~apportioned as follows:~~ returned to the person or entity that
 2.11 owned the property prior to its forfeiture.

2.12 ~~(i) The county board may annually by resolution set aside no more than 30 percent of~~
 2.13 ~~the receipts remaining to be used for forest development on tax forfeited land and dedicated~~
 2.14 ~~memorial forests, to be expended under the supervision of the county board. It must be~~
 2.15 ~~expended only on projects improving the health and management of the forest resource.~~

2.16 ~~(ii) The county board may annually by resolution set aside no more than 20 percent of~~
 2.17 ~~the receipts remaining to be used for the acquisition and maintenance of county parks or~~
 2.18 ~~recreational areas as defined in sections 398.31 to 398.36, to be expended under the~~
 2.19 ~~supervision of the county board.~~

2.20 ~~(iii) Any balance remaining must be apportioned as follows: county, 40 percent; town~~
 2.21 ~~or city, 20 percent; and school district, 40 percent, provided, however, that in unorganized~~
 2.22 ~~territory that portion which would have accrued to the township must be administered by~~
 2.23 ~~the county board of commissioners.~~

2.24 **EFFECTIVE DATE.** This section is effective for tax-forfeited land sales conducted
 2.25 after June 30, 2021.

2.26 Sec. 3. Minnesota Statutes 2020, section 282.09, subdivision 1, is amended to read:

2.27 Subdivision 1. **Money placed in fund; fees and disbursements.** The county auditor
 2.28 and county treasurer shall place all money received through the operation of sections 282.01
 2.29 to 282.13 minus any amounts returned to the property's previous owner pursuant to section
 2.30 282.08, clause (4), in a fund to be known as the forfeited tax sale fund, and all disbursements
 2.31 and costs must be charged against that fund, when allowed by the county board. Members
 2.32 of the county board may be paid a per diem pursuant to section 375.055, subdivision 1, and
 2.33 reimbursed for their necessary expenses, and may receive mileage as fixed by law. The

3.1 amount of compensation of a land commissioner and assistants, if a land commissioner is
3.2 appointed, must be determined by the county board. The county auditor must receive 50
3.3 cents for each certificate of sale, each contract for deed and each lease executed by the
3.4 auditor, and, in counties where no land commissioner is appointed, additional annual
3.5 compensation, not exceeding \$300, as fixed by the county board. The amount of
3.6 compensation of any other clerical help needed by the county auditor or land commissioner
3.7 must be determined by the county board. All compensation provided for in this subdivision
3.8 is in addition to other compensation allowed by law. Fees so charged in addition to the fee
3.9 imposed in section 282.014 must be included in the annual settlement by the county auditor
3.10 as hereinafter provided. On or before February 1 each year, the commissioner of revenue
3.11 shall certify to the commissioner of management and budget, by counties, the total number
3.12 of state deeds issued and reissued during the preceding calendar year for which such fees
3.13 are charged and the total amount of fees. On or before March 1 each year, each county shall
3.14 remit to the commissioner of revenue, from the forfeited tax sale fund, the aggregate amount
3.15 of the fees imposed by section 282.014 in the preceding calendar year. The commissioner
3.16 of revenue shall deposit the amounts received in the state treasury to the credit of the general
3.17 fund. When disbursements are made from the fund for repairs, refunds, expenses of actions
3.18 to quiet title, or any other purpose which particularly affects specific parcels of forfeited
3.19 lands, the amount of the disbursements must be charged to the forfeited tax sale fund. The
3.20 county auditor shall make an annual settlement of the net proceeds received from sales and
3.21 rentals by the operation of sections 282.01 to 282.13, on the settlement day determined in
3.22 section 276.09, for the preceding calendar year.

3.23 **EFFECTIVE DATE.** This section is effective for tax-forfeited land sales conducted
3.24 after June 30, 2021.