

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 138

(SENATE AUTHORS: BAKK and Wiger)

DATE
01/14/2019

D-PG

82 Introduction and first reading

OFFICIAL STATUS

Referred to Environment and Natural Resources Policy and Legacy Finance

1.1 A bill for an act
1.2 relating to state lands; modifying lease terms for state lands on Horseshoe Bay;
1.3 amending Laws 1997, chapter 216, section 151, as amended.

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

1.5 Section 1. Laws 1997, chapter 216, section 151, as amended by Laws 2004, chapter 262,
1.6 article 2, section 9, is amended to read:

1.7 Sec. 151. **HORSESHOE BAY LEASES.**

1.8 Subdivision 1. **Definitions.** (a) "Lessee" means a lessee of lands leased under Minnesota
1.9 Statutes, section 92.46, that are located in Section 16, Township 62 North, Range 4 East,
1.10 Cook County, of record with the commissioner of natural resources as of May 14, 1993.

1.11 (b) "New lease" means a lease issued from May 31, 1997, to May 31, 2004, under the
1.12 terms and conditions specified in Minnesota Statutes, section 92.46, subdivisions 1, 1a, and
1.13 3, except that the lease may be for a life term and is not assignable or transferable and may
1.14 not be amended to include additional lessees.

1.15 (c) "Amended lease" means a lease issued after May 31, 2004, under the terms and
1.16 conditions specified in Minnesota Statutes, section 92.46, subdivisions 1, 1a, and 3, except
1.17 that:

1.18 (1) the term of the lease shall be for the lifetime of the party being issued the amended
1.19 lease and, if transferred, for the lifetime of the party to whom the lease is transferred;

2.1 (2) the lease shall provide that the lease may be transferred ~~only once~~ twice and the
2.2 transfer must be to a person within the second degree of kindred, according to civil law, of
2.3 the lessee who was issued the lease;

2.4 (3) the commissioner shall limit the number of transferees per lease to no more than two
2.5 persons who have attained legal age; and

2.6 (4) the lease rates shall be as provided in Laws 2003, First Special Session chapter 9,
2.7 article 1, section 52.

2.8 Subd. 2. **Options for lessees.** (a) If requested in writing by a lessee before January 1,
2.9 1998, the commissioner shall, at the lessee's option:

2.10 (1) pay to the lessee the appraised value of the lessee's improvements on the land and
2.11 terminate the existing lease as of the date of payment for improvements; or

2.12 (2) issue a new lease for the life of the lessee that provides that when the lease term
2.13 expires, the commissioner shall pay to the lessee or a beneficiary that must be designated
2.14 in writing by the lessee the appraised value of the lessee's improvements on the land. A
2.15 lessee who elects this option may elect to terminate the lease at any time during the term
2.16 of the lease in exchange for payment by the commissioner for the appraised value of the
2.17 lessee's improvements on the land.

2.18 (b) If the commissioner has not received written notice of a lessee's election under
2.19 paragraph (a) by January 1, 1998, the commissioner may proceed under paragraph (a),
2.20 clause (1).

2.21 (c) If requested in writing by the lessee before January 1, 2005, the commissioner shall
2.22 issue an amended lease to a lessee who holds a new lease issued under paragraph (a). When
2.23 the amended lease term expires, the commissioner shall pay to the lessee, the transferee, or
2.24 a beneficiary that must be designated in writing by the lessee or the transferee, the appraised
2.25 value of the lessee's or transferee's improvements on the land. A lessee or transferee may
2.26 elect to terminate the lease at any time during the term of the lease in exchange for payment
2.27 by the commissioner for the appraised value of the lessee's or transferee's improvements
2.28 on the land.

2.29 (d) After May 31, 1997, no lessee under paragraph (a), clause (2), or (c), shall construct
2.30 or remodel, other than necessary for maintenance and upkeep, a cabin or other structure
2.31 during the lease.

2.32 (e) The commissioner may use money appropriated from the land acquisition account
2.33 under Minnesota Statutes, section 94.165, for payments under paragraph (a) or (c).

3.1 (f) Notwithstanding Minnesota Statutes, section 92.46, subdivision 1a, the commissioner
3.2 may elect whether to amend the leases in paragraph (a) or (c) to expand lot size to conform
3.3 with current shoreline standards.

3.4 (g) By December 31, 2019, the commissioner shall update the terms of leases to reflect
3.5 the changes in this section.