

(SENATE AUTHORS: CARLSON, Saxhaug and Gazelka)

DATE	D-PG	OFFICIAL STATUS
03/16/2011	522	Introduction and first reading Referred to Taxes

1.1A bill for an act

1.2relating to taxation; modifying provisions of the Sustainable Forest Incentive Act;

1.3amending Minnesota Statutes 2010, sections 290C.02, subdivision 3; 290C.03;

1.4290C.11; proposing coding for new law in Minnesota Statutes, chapter 290C;

1.5repealing Minnesota Statutes 2010, sections 290C.02, subdivision 5; 290C.06.

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

1.7Section 1. Minnesota Statutes 2010, section 290C.02, subdivision 3, is amended to read:

1.8Subd. 3. **Claimant.** (a) "Claimant" means:

1.9(1) a person, as that term is defined in section 290.01, subdivision 2, who owns

1.10forest land in Minnesota and files an application authorized by the Sustainable Forest

1.11Incentive Act;

1.12(2) a purchaser or grantee if property enrolled in the program was sold or transferred

1.13after the original application was filed and prior to the annual incentive payment being

1.14made; or

1.15(3) an owner of land previously covered by an auxiliary forest contract that

1.16automatically qualifies for inclusion in the Sustainable Forest Incentive Act program

1.17pursuant to section 88.49, subdivision 9a, or 88.491, subdivision 2.

1.18~~The purchaser or grantee must notify the commissioner in writing of the sale or~~

1.19~~transfer of the property.~~ Owners of land that qualifies for inclusion pursuant to section

1.2088.49, subdivision 9a, or 88.491, subdivision 2, must notify the commissioner in writing

1.21of the expiration of the auxiliary forest contract or land trade with a governmental unit and

1.22submit an application to the commissioner by August 15 in order to be eligible to receive a

1.23payment by October 1 of that same year. For purposes of section 290C.11, claimant also

1.24includes any person bound by the covenant required in section 290C.04.

(b) No more than one claimant is entitled to a payment under this chapter with respect to any tract, parcel, or piece of land enrolled under this chapter that has been assigned the same parcel identification number. When enrolled forest land is owned by two or more persons, the owners must determine between them which person is eligible to claim the payments provided under sections 290C.01 to 290C.11. In the case of property sold or transferred, the former owner and the purchaser or grantee must determine between them which person is eligible to claim the payments provided under sections 290C.01 to 290C.11. The owners, transferees, or grantees must notify the commissioner in writing which person is eligible to claim the payments.

Sec. 2. Minnesota Statutes 2010, section 290C.03, is amended to read:

290C.03 ELIGIBILITY REQUIREMENTS.

(a) Land may be enrolled in the sustainable forest incentive program under this chapter if all of the following conditions are met:

(1) the land consists of at least 20 contiguous acres and at least 50 percent of the land must meet the definition of forest land in section 88.01, subdivision 7, during the enrollment;

(2) a forest management plan for the land must be prepared by an approved plan writer and implemented during the period in which the land is enrolled, provided that a forest management plan prepared or renewed after August 1, 2011, must be implemented for a term of at least 20 years;

(3) timber harvesting and forest management guidelines must be used in conjunction with any timber harvesting or forest management activities conducted on the land during the period in which the land is enrolled;

(4) the land must be enrolled for a minimum of eight years;

(5) there are no delinquent property taxes on the land; ~~and~~

(6) claimants enrolling more than 1,920 acres in the sustainable forest incentive program must allow year-round, nonmotorized access to fish and wildlife resources on enrolled land except within one-fourth mile of a permanent dwelling or during periods of high fire hazard as determined by the commissioner of natural resources; and

(7) the claimant must register the plan with the commissioner of natural resources, who must verify that the land is qualified. The commissioner of natural resources must annually provide county assessors with verification information on a timely basis.

(b) Claimants required to allow access under paragraph (a), clause (6), do not by that action:

(1) extend any assurance that the land is safe for any purpose;

(2) confer upon the person the legal status of an invitee or licensee to whom a duty of care is owed; or

(3) assume responsibility for or incur liability for any injury to the person or property caused by an act or omission of the person.

Sec. 3. **[290C.095] TRANSFER OF OWNERSHIP.**

Subdivision 1. **Disclosure to new owner.** When lands enrolled in the sustainable forest incentive program are sold or transferred to new owners, the seller or grantor must disclose to a prospective purchaser or grantee information describing the imposition of penalties in section 290C.11 for noncompliance with section 290C.04 and obtain the signature of the purchaser or grantee on a statement acknowledging the disclosures. In this section, the purchaser or grantee is referred to as the "new owner."

Subd. 2. **Notification to commissioner.** (a) The new owner must notify the commissioner in writing of the sale or transfer of the property within 60 days of the transfer of title to the property when the previous owner sold or transferred all their land enrolled in the sustainable forest incentive program under the recorded covenant specified in section 290C.04.

(b) An owner who sells or transfers only part of the owner's land enrolled in the sustainable forest incentive program must notify the commissioner in writing of the sale or transfer within 60 days of the transfer of title. The notification must include the legal description of the sold or transferred property, its property tax parcel numbers, and the name and address of the new owner.

Subd. 3. **Plan after sale.** (a) Upon notification, the commissioner shall inform the new owner that the new owner must:

(1) obtain a new forest management plan that must be written by an approved plan writer; or

(2) agree in writing to accept the previous owner's forest management goals and prescriptions to meet proposed future conditions of the land and register a copy of the previous owner's forest management plan as provided in section 290C.03, paragraph (a), clause (7), in name of the new owner.

(b) The new owner must obtain a new plan or furnish a copy of the previous owner's plan within (1) two years from the date the title of the property was transferred or (2) the date the original forest management plan expires, whichever occurs first.

(c) The commissioner shall terminate enrollment in the sustainable forest incentive program on lands that have been purchased or granted according to the procedure in section 290C.10 if the purchaser or grantee fails to obtain or furnish a forest management

plan and register it as required in section 290C.03, paragraph (a), clause (7), within the time specified in paragraph (b).

Sec. 4. Minnesota Statutes 2010, section 290C.11, is amended to read:

290C.11 PENALTIES FOR REMOVAL.

(a) If the commissioner determines that land enrolled in the sustainable forest incentive program is in violation of the conditions for enrollment as specified in section 290C.03, the commissioner shall notify the claimant of the intent to remove all enrolled land from the sustainable forest incentive program. The claimant has 60 days to appeal this determination under the provisions of section 290C.13.

(b) If the commissioner determines the land is to be removed from the sustainable forest incentive program due to noncompliance with the covenant, the claimant is liable for payment to the commissioner in ~~the an amount equal to the payments that is the higher of (1) 15 percent of the assessor's estimated market value of the property for real property taxes payable the following year that reflects improvements made to the property in the prior taxes payable year or (2) two times the payments~~ received under this chapter for the previous four-year period, plus interest. The claimant has 90 days to satisfy the payment for removal of land from the sustainable forest incentive program under this section. If the penalty is not paid within the 90-day period under this paragraph, the commissioner shall certify the amount to the county auditor for collection as a part of the general ad valorem real property taxes on the land in the following taxes payable year.

Sec. 5. **REPEALER.**

Minnesota Statutes 2010, sections 290C.02, subdivision 5; and 290C.06, are repealed.

APPENDIX
Repealed Minnesota Statutes: 11-2392

290C.02 DEFINITIONS.

Subd. 5. **Current use value.** "Current use value" means the statewide average annual income per acre, multiplied by 90 percent and divided by the capitalization rate determined under subdivision 9. The statewide net annual income shall be a weighted average based on the most recent data as of July 1 of the computation year on stumpage prices and annual tree growth rates and acreage by cover type provided by the Department of Natural Resources and the United States Department of Agriculture Forest Service North Central Research Station.

**290C.06 CALCULATION OF AVERAGE ESTIMATED MARKET VALUE;
MANAGED FOREST LAND.**

The commissioner shall annually calculate a statewide average estimated market value per acre for class 2c managed forest land under section 273.13, subdivision 23.