

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

**S.F. No. 459**

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DATE  
01/24/2019

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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 natural resources; establishing program for riparian-buffer compensation;  
1.3 appropriating money; amending Minnesota Statutes 2018, section 13.7931, by  
1.4 adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter  
1.5 103F.

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

1.7 Section 1. Minnesota Statutes 2018, section 13.7931, is amended by adding a subdivision  
1.8 to read:

1.9 Subd. 3a. Riparian-buffer compensation. Data submitted in applying for compensation  
1.10 for riparian buffers are classified under section 103F.485, subdivision 3.

1.11 Sec. 2. [103F.485] RIPARIAN BUFFERS; COMPENSATION PROGRAM.

1.12 Subdivision 1. Definitions. (a) For purposes of this section, the terms in this subdivision  
1.13 have the meanings given.

1.14 (b) "Board" means the Board of Water and Soil Resources.

1.15 (c) "Claimant" means:

1.16 (1) a person, as defined in section 290.01, subdivision 2, that owns agricultural land in  
1.17 Minnesota and files an application under this section; or

1.18 (2) a purchaser or grantee of property sold or transferred after the original application  
1.19 was submitted.

1.20 (d) "Commissioner" means the commissioner of revenue.

2.1 (e) "Program" means the program for riparian-buffer compensation established in this  
2.2 section.

2.3 (f) "Public-waters buffer" means a buffer required under section 103F.48, subdivision  
2.4 3.

2.5 Subd. 2. **Eligibility requirements.** Land may be enrolled in the program if:

2.6 (1) the land is tillable land classified as 2a under section 273.13, subdivision 23;

2.7 (2) the landowner is required to maintain a buffer on the property according to section  
2.8 103F.48, subdivision 3, and the public-waters buffer is identified and mapped on a  
2.9 buffer-protection map established and maintained by the commissioner of natural resources;

2.10 (3) the tillable land was converted to a public-waters buffer during calendar years 2015  
2.11 through 2018 to comply with section 103F.48;

2.12 (4) there are no delinquent property taxes on the land;

2.13 (5) the land has not been compensated for damages under section 103E.315, subdivision  
2.14 8, for purposes of installing a buffer; and

2.15 (6) an application is submitted to the commissioner as specified in subdivision 3 on or  
2.16 before April 1, 2021.

2.17 Subd. 3. **Applications.** (a) An owner of agricultural land in Minnesota may apply to  
2.18 enroll agricultural land in the program under this section. The application must be on a form  
2.19 prescribed by the commissioner and must include the following information:

2.20 (1) the landowner's Social Security number and date of birth or the landowner's state or  
2.21 federal business tax identification number;

2.22 (2) the landowner's address;

2.23 (3) the landowner's signature;

2.24 (4) the county parcel identification numbers for the tax parcels that completely contain  
2.25 the agricultural land on which a public-waters buffer is required to be established and  
2.26 maintained;

2.27 (5) the number of acres of tillable class 2a agricultural land converted to a public-waters  
2.28 buffer during calendar years 2015 through 2018 to comply with section 103F.48, rounded  
2.29 to the nearest whole acre;

3.1 (6) the signature of an employee of the soil and water conservation district where the  
3.2 land is located, certifying the accuracy of the parcel identification numbers and the converted  
3.3 acres figure included in the application; and

3.4 (7) any other information the commissioner deems necessary.

3.5 (b) The commissioner must review the application and determine whether the property  
3.6 is eligible for enrollment in the program. The commissioner must notify the claimant of the  
3.7 determination within 90 days of receiving the completed application.

3.8 (c) Social Security numbers collected from individuals under this section are private  
3.9 data as provided in section 13.355. The federal business tax identification number and date  
3.10 of birth data collected under this section are nonpublic data and private data on individuals,  
3.11 respectively, as defined in section 13.02 but may be shared with county treasurers for  
3.12 purposes of the revenue recapture under chapter 270A.

3.13 Subd. 4. **Annual certification.** On or before February 15, 2021, and each February 15  
3.14 thereafter, the commissioner must send each claimant a certification form. The claimant  
3.15 must sign the certification, attesting that the requirements and conditions the commissioner  
3.16 deems necessary for continued enrollment in the program are being met, and must return  
3.17 the signed certification form to the commissioner by April 1 of the same year. If the claimant  
3.18 does not return the annual certification form by the due date, the commissioner must notify  
3.19 the claimant that the land will be terminated from the program if the certification is not  
3.20 received within 30 days.

3.21 Subd. 5. **Notifying commissioner of noncompliance.** On or before June 1, 2021, and  
3.22 each June 1 thereafter, the commissioner must provide by electronic means to the board  
3.23 data sufficient for a county, watershed district, or the board to identify claimants enrolled  
3.24 in the program. On or before August 1 of each year in which the certification under  
3.25 subdivision 4 is due, the board must notify the commissioner of any claimant that has been  
3.26 determined by a county, watershed district, or the board to be noncompliant with section  
3.27 103F.48

3.28 Subd. 6. **Length of enrollment.** Land approved for enrollment under subdivision 3,  
3.29 paragraph (b), remains in the program unless terminated under subdivision 10.

3.30 Subd. 7. **Payment amount.** (a) A claimant is eligible to receive an annual payment equal  
3.31 to the average annual rental payment per acre for county cropland for each tillable acre  
3.32 converted to a public-waters buffer.

4.1 (b) The board must determine the average annual rental payment per acre for county  
4.2 cropland and certify the amount to the commissioner by September 1 each year. In making  
4.3 the determination, the board must use the most recent data available.

4.4 Subd. 8. **Annual payment.** The commissioner must make the payments required under  
4.5 subdivision 7 annually on or before October 1 based on applications or certifications received  
4.6 on or before April 1 of that year. The commissioner must not make payments to a claimant  
4.7 for property after the property is terminated from the program. Interest at the annual rate  
4.8 determined under section 270C.40 must be included with any payment not paid by the later  
4.9 of October 1 of the year the application or certification was due or 180 days after the  
4.10 completed application or certification was filed.

4.11 Subd. 9. **Multiple claimants.** No more than one claimant is entitled to a payment under  
4.12 this section for any tract, parcel, or piece of land that is assigned the same parcel identification  
4.13 number. When enrolled agricultural land is owned by two or more persons, the owners must  
4.14 determine which person is eligible to claim the payments. If property is sold or transferred,  
4.15 the former owner and the purchaser or grantee may determine which person is eligible to  
4.16 claim the payments. If they cannot agree, the matter must be referred to the commissioner,  
4.17 whose decision is final.

4.18 Subd. 10. **Reasons for termination.** (a) Agricultural land enrolled in the program may  
4.19 be terminated from the program if:

4.20 (1) there are delinquent taxes on the land;

4.21 (2) the commissioner receives notification of noncompliance under subdivision 5 from  
4.22 the board;

4.23 (3) the claimant does not timely submit a certification form after being notified by the  
4.24 commissioner that the annual certification was not received by April 1; or

4.25 (4) the claimant voluntarily withdraws from the program.

4.26 (b) The commissioner must prepare a notice of termination for any land that is to be  
4.27 terminated from the program. The notice of termination must contain the parcel identification  
4.28 numbers, the reason for termination, and the effective date of termination. The commissioner  
4.29 must mail the notice of termination to the claimant at least 60 days before the effective date  
4.30 of termination.

4.31 Subd. 11. **Compliance audit.** The commissioner may examine any application or annual  
4.32 certification to ensure compliance with this section.

5.1 Subd. 12. **Penalty.** If the commissioner determines a claimant intentionally filed a false  
5.2 application or certification under this section, the commissioner must notify the claimant  
5.3 of the determination and the penalty amount for which the claimant is liable. The penalty  
5.4 is equal to the total payments received while enrolled in the program, plus interest calculated  
5.5 from the date the payments were made at the annual rate determined under section 270C.40.  
5.6 The claimant has 90 days to satisfy the payment from the date on the notice of determination.  
5.7 If the penalty is not paid within the 90-day period, the commissioner must certify the amount  
5.8 to the county auditor for collection as a part of the general ad valorem real property taxes  
5.9 on the land in the following taxes payable year.

5.10 Subd. 13. **Appeal to Tax Court.** Any person aggrieved by the commissioner's decision  
5.11 to deny an application for enrollment, to assess a penalty, to terminate land from the program,  
5.12 or to deny payment to a claimant may, within 60 days of the date on the notice of  
5.13 determination or notice of termination, or after 180 days of the submission of the application  
5.14 or annual certification if no determination is issued, appeal to the Tax Court under chapter  
5.15 271 as if the appeal is from an order of the commissioner.

5.16 Subd. 14. **Appropriation.** The amount necessary to make the payments under this section  
5.17 is annually appropriated to the commissioner from the general fund.

5.18 **EFFECTIVE DATE.** This section is effective for payments made in 2020 and thereafter.

5.19 Sec. 3. **APPROPRIATION; RIPARIAN-BUFFER COMPENSATION.**

5.20 \$11,000 in fiscal year 2020 and \$434,000 in fiscal year 2021 are appropriated from the  
5.21 general fund to the commissioner of revenue to administer Minnesota Statutes, section  
5.22 103F.485. \$286,000 is added to base appropriations to the Department of Revenue for fiscal  
5.23 years 2022 and 2023.