

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1953, Section 106.031, Subdivision 1, as amended by Laws 1955, Chapter 800, Section 1, is amended to read:

106.031 **Petition.** Subdivision 1. **Form.** Before any public drainage system or other improvement authorized by sections 106.011 to 106.661 is established, a petition therefor shall be filed with the county auditor, if for a drainage system entirely within one county, or with the clerk of the district court, if for a drainage system within two or more counties. Such petition shall be signed by not less than a majority of the resident owners of the land described in the petition or by the owners of at least 60 percent of the area of such land. The lands described in the petition shall be those over which the proposed ditch passes or upon which the improvement is located, and the petition shall set forth the description of such lands and shall set forth the necessity for the ditch or improvement, and that the same will be of public benefit and utility and will promote the public health, with the description of the starting point, the general course, and terminus or location of the same. The petition shall state that the petitioners will pay all costs and expenses which may be incurred in case the proceedings are dismissed or for any reason no contract for the construction thereof is let. Such petition may be signed by the authorized representative of any municipal corporation or by the commissioner of highways, or the authorized agent of any public institution or any corporation which may be affected by or assessed for the proposed construction; but in such case, the signature of such representatives, commissioner, agent, or corporation shall each count only as one signature on the petition. Each ditch proceeding shall be designated by number assigned by the auditor or clerk.

Approved April 24, 1957.

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CHAPTER 639—S. F. No. 1278

[Coded]

*An act relating to taxation of forest lands by creating a method of taxation based on the value increase by growth of various classes of forest lands.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [270.31] **Citation.** This act may be cited as the "Minnesota Tree Growth Tax Law."

**Sec. 2. [270.32] Public Policy.** The present general system of ad valorem taxes in the state of Minnesota as applied to forest lands does not provide an equitable basis of taxation and has resulted in inadequate taxes on some lands and excessive tax forfeiture on other lands.

Therefore it is the declared public policy of this state that the public interest would be best served by encouraging private forest landowners to retain and improve their holdings of forest lands upon the tax rolls of the state and to promote better forest management of such lands by appropriate tax measures, therefore, this act is enacted for the purpose of permitting privately owned lands generally suitable for the planting, culture and growth of continuous forest products to be taxed on the basis of the annual increase in value in accordance with the following provisions.

**Sec. 3. [270.33] Definitions.** Subdivision 1. Unless the language or context clearly indicates that a different meaning is intended, the following words, terms and phrases for the purposes of this act shall be given meanings as follows:

Subd. 2. Forest type means a stand of trees characterized by the predominance of one or more key species, which make up 50 percent or more of the sawlog volume in sawlog stands; of cordwood in pole-timber stands; or of the number of trees in seedling and sapling stands.

Subd. 3. Spruce fir type means a mixed hardwood and coniferous stand of trees with white spruce and balsam-fir the most common species.

Subd. 4. Swamp spruce means a stand of trees in which swamp conifers predominate with black spruce the most common.

Subd. 5. Other swamp conifers type means a stand of trees in which conifers predominate with tamarack or cedar the most common.

Subd. 6. Jack pine type means a stand of trees in which pine species predominate with jack pine the most common.

Subd. 7. White and Norway pine type means a stand of trees in which pine species predominate with white or Norway pine the most common.

Subd. 8. Aspen-Birch type means a stand of trees in which a mixture of trembling or large-tooth aspen and paper birch predominates.

Subd. 9. Upland hardwood type means a stand of trees in which northern hardwood species (sugar and red maple, yellow birch, basswood and oak) predominate.

Subd. 10. Lowland hardwood type means a stand of trees on poorly drained land in which the bottomland hardwood, such as ash, elm and Balm of Gilead predominate.

Subd. 11. Stagnant spruce swamp type means a stand in which spruce predominates, but which will not produce standard pulpwood in 100 years, although it will produce Christmas trees of commercial value.

Subd. 12. Commercial forest type means any forest type which has three cords or more of standard pulpwood or sawlogs per acre or 500 stems or more of commercial tree species per acre.

Subd. 13. Temporarily non-productive type means land capable of producing a commercial forest type but does not at present meet the standards of subdivision 11.

Subd. 14. Permanently non-productive type means land such as muskeg, marsh and rock outcrops, which is unsuitable for growing a commercial forest type.

Subd. 15. Average annual growth rate means the estimated average amount of commercial forest product one acre of land will grow in one year.

Subd. 16. Stumpage value means the monetary value placed on standing timber before it is cut expressed in terms of dollars per cord or dollars per thousand board feet. Conversion from board feet to cords for the purposes of this law shall be two and one-fourth per thousand board feet.

Subd. 17. Value of the annual growth means the average annual growth rate per acre for a type multiplied by the weighted average of the stumpage values of all species in the type. The proportions of the various species making up the type to be used in computing the weighted average of the stumpage values of all species in the type shall be determined with reference to the most recent official forest survey report for the county in which the land is located.

Subd. 18. Governmental subdivision shall mean a government lot or a tract not less than five acres.

Sec. 4. [270.34] Average annual growth rates, determination. Subdivision 1. The average annual growth rates to be used in determining taxes applicable to property in each county under this chapter shall be established by the

county board of each county desiring to use the provisions of this act. The rates shall be established with due regard for the studies of average annual growth rates made by the division of forestry for the state of Minnesota and the Lake States Forest Experiment Station of the United States Department of Agriculture. The rates may be determined by each participating county after the passage of this act and when determined and certified by the county board to the county auditor, may remain in effect in each county without change until the calendar year 1966. In the calendar year 1966 and at the end of each ten-year period thereafter, the county board shall review and set such rates for the following ten-year period in the same manner. Any person aggrieved by a change of rate determination of the county board hereunder may appeal to the county board for readjustment. In the event of disagreement, the aggrieved person may test the correctness of the new rate or rates by applying directly to the commissioner of taxation within one year of such change in accordance with the provisions of Minnesota Statutes, Section 270.07 and the commissioner shall have the power to grant the changes of any rate or rates as he may deem just and equitable and to order the refund in whole or in part of any taxes, costs, penalties or interest thereon which have been erroneously or unjustly paid since the changed rate. In the event of any change in rates on appeal from the determination by the county board, the rate as so changed shall remain in effect until the next revision period.

**Sec. 5. [270.35] Stumpage value, use in computing tax.** The stumpage value for each species to be used in computing the tax in any county shall be computed in each even numbered year and shall be the average sale price received by the county upon all of its sales of sound standing timber of the species during the previous two calendar years. In the event there have been no sales of the species within the county within the previous two calendar years the county board, with the approval of the commissioner of conservation, shall set a stumpage price for such species, with the right of appeal by any aggrieved persons to the commissioner of taxation as set forth in section 4, in the event any such person deems himself to be aggrieved by such determination.

**Sec. 6. [270.36] Computation of tax.** Subdivision 1. After the county board has determined the average annual growth rates in accordance with section 4, they shall make an order and cause a resolution regarding such order to be published in the minutes of the county board meeting. The county board shall file the order with the register of deeds. Thereafter the county auditor shall compute the values

of the annual growth of the types of timber growing in the county as defined in section 3, subdivision 17, and shall post a tabulation of the values in his office and prepare copies of the same for dissemination to all persons who may request them.

Subd. 2. The forest lands made subject to taxation under this act shall be taxed at the following rates :

1. Lands growing commercial forest type shall be taxed each year in the amount of 30 percent of the value of the estimated average annual growth as determined in accordance with this act.

2. Temporarily non-productive forest type shall be taxed five cents per acre per year, providing the owner complies with his agreement for reforestation within the time specified in the agreement. In the event of non-compliance, the land shall thereafter be subject to a 15 cents per acre per year tax.

3. Permanently non-productive lands shall be subject to a five cents per acre tax per year.

Sec. 7. [270.37] **Tax credit.** Subdivision 1. For each acre of land which shall have been planted and maintained with a minimum of 500 trees of commercial species, the owner shall have and be allowed a credit against his taxes on other lands within the same governmental subdivision on which the planting is made in the amount of 50 cents per acre per year. The credit shall in no event exceed the amount of the tax due upon the land in such governmental subdivision. When the plantation is ten years old, the plantation shall be classified as a commercial forest type and taxed as such and the credit against tax set forth above shall cease.

Subd. 2. This section shall not apply to lands devoted to growing trees for ornamental purposes. In the event any such trees are severed, all credits received shall be repaid plus triple the tax as would otherwise have applied.

Sec. 8. [270.38] **Application to come under tree growth tax law.** Subdivision 1. Any owner of forest lands desiring to place any governmental subdivision of forest land owned by him under the provisions of this act, shall make application in triplicate to the county board of the county in which the land is located upon a form prescribed by the commissioner of taxation specifying the legal description of the land desired to be taxed under this act and listing the number of acres of each forest type and the dominant species of each type in each governmental subdivision. The application

shall contain the statement signed and sworn to by the applicant that "While the land is under the Tree Growth Tax Law it will be used exclusively for the growing of continuous forest crops in accordance with sustained yield practice and will be open to use by the public for hunting and fishing except within one-fourth mile of a permanent dwelling or during periods of high fire hazard as determined by the commissioner of conservation." The application shall include a forest type map and a statement concerning the owner's intentions with regard to reforestation of any temporarily non-productive land.

Subd. 2. Within 90 days after the filing of any application the county board shall make an order approving or disapproving the application and file the order with the county auditor. The county board may appoint and set the salary of a qualified investigator to examine and review the applications and report his findings for their guidance. In the event an application is approved, the land shall be deemed subject to this act beginning with the calendar year next succeeding the one in which the application was filed. If no action is taken within 90 days after the filing of the application, the application shall go to the commissioner of taxation, who shall act on the application with all the powers of the county board relative to such application.

Subd. 3. On or before May 1 of each year any owner having forest property subject to this act shall report to the county board, upon a form prescribed by it, any changes which took place during the previous year affecting the status of any such property under this act, including the following:

1. The acreage and volume of timber cut from any such property.
2. The acreage, species and number of trees planted on any such property.
3. The changes in forest types due to fires, insects or disease affecting any such property.

In the event of any substantial change in the classification by reason of the above causes or other causes, the owner may apply to the county board for a reclassification of the property or area affected.

Subd. 4. During the sixth year of each calendar decade in which any property is being taxed under this act, such lands so subject to taxation hereunder may be reclassified by the county board upon application of the owner with a proper showing of the reasons justifying such reclassification, or upon the initiative of the county board in cases where facts

justifying such reclassification come to the attention of the county board.

Subd. 5. The owner of any timber lands made subject to this act may at any time apply to withdraw any governmental subdivisions from taxation under this act. Such application made in writing and giving the reasons for withdrawal may be approved by the county board subject to the payment of all back taxes and penalties on the basis of ad valorem taxes in the area giving due credit for taxes paid under this act; provided that after an agreement has been in effect for more than six years, no penalties as above specified shall be assessed and the owner shall not be required to pay such penalties. If approved, the lands shall be deemed to be withdrawn from taxation under this act and shall be returned to taxation under the general real property tax law beginning with the calendar year next immediately following the date upon which the withdrawal was approved by the county board.

Subd. 6. The county assessor or his duly authorized representative may enter and examine the forest lands brought under this act for tax purposes and may examine into any information submitted by the owner in connection with any application to enter any governmental subdivision for purposes of taxation under this act whereby the county board has been deceived, and in the event any wilful misrepresentation of facts is made in any such application under this act, the county shall be entitled to triple taxes. If any owner shall fail to comply with the requirements of this act, the county board may withdraw the land of such owner from taxation under this act upon motion at any meeting, but such action may be subject to review by the district court. Any lands so withdrawn from under this act shall be withdrawn from such taxes at the end of the calendar year in which the actual withdrawal is made and in the succeeding calendar year shall be returned to taxation under the general provisions of the Minnesota Statutes relating to the taxation of lands.

Subd. 7. If at any time the county board deems the lands entered under this act more valuable for other purposes than the production of timber crops such lands may be removed from the provisions of this act by joint agreement of the county board and the taxpayer. In the event of disagreement, such lands may be removed from under this act by the county board upon the recommendation of a three member committee, one member each appointed by the county board, the taxpayer and the commissioner of taxation.

Subd. 8. All taxes imposed by this act shall be a lien upon the land and all forest products growing and severed

until the tax is paid. The tax shall be annually extended by the county auditor and shall be collected in the manner provided by law for the collection of ad valorem taxes.

Subd. 9. In determining the assessed value of property within any taxing district the value of the surface of lands subject to the provisions of this act therein, as determined by the county board under provisions of the Minnesota Statutes, Section 88.48, Subdivision 3, shall, for all purposes except the levying of taxes on such lands, be deemed the full and true value thereof.

Subd. 10. No landowner may have an aggregate of more than ten thousand acres in any one county under the provisions of this act.

Sec. 9. [270.39] **Construction.** This act shall be broadly construed to achieve the purpose stated in the policy section. The invalidity of any provision shall be deemed not to affect the validity of other provisions.

Approved April 24, 1957.

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## CHAPTER 640—S. F. No. 1369

[Coded]

*An act authorizing and providing for the creation and administration of hospital districts comprising territory in one or more counties, the construction, equipment and operation of district hospitals therein and the issuance of bonds therefor, and repealing Laws 1955, Chapter 227.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [397.05] **Hospital districts.** The board of county commissioners of any county, or two or more boards of county commissioners acting jointly, may, when requested so to do by resolutions of the governing bodies of two or more of the cities, villages and towns within the county or counties, by resolution create a hospital district comprising the entire area of such cities, villages and towns, provided that no city, village or town shall be included therein unless it is contiguous to one or more of the others; and provided further that each resolution hereafter adopted requesting the creation of such a district shall be published in the official newspaper of the city, village or town concerned, and if within ten days after such publication a petition shall be filed with the governing body, signed by qualified electors of the city, vil-