

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1536

(SENATE AUTHORS: SKOE)

DATE	D-PG	OFFICIAL STATUS
04/04/2013	1676	Introduction and first reading Referred to Taxes

A bill for an act

1.1 relating to local aid payments; providing for modifications to payments in lieu
 1.2 of taxes for natural resource lands; appropriating money; amending Minnesota
 1.3 Statutes 2012, sections 477A.11, subdivisions 3, 4, by adding subdivisions;
 1.4 477A.12, subdivisions 1, 2, 3; 477A.14, subdivision 1, by adding a subdivision;
 1.5 proposing coding for new law in Minnesota Statutes, chapter 477A; repealing
 1.6 Minnesota Statutes 2012, section 97A.061.
 1.7

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

1.9 Section 1. [477A.10] NATURAL RESOURCES LAND PAYMENTS IN LIEU;
 1.10 **PURPOSE.**

1.11 The purposes of sections 477A.11 to 477A.14 are:

1.12 (1) to compensate local units of government for the loss of tax base from state
 1.13 ownership of land and the need to provide services for state land;

1.14 (2) to address the disproportionate impact of state land ownership on local units of
 1.15 government with a large proportion of state land; and

1.16 (3) to address the need to manage state lands held in trust for the local taxing districts.

1.17 Sec. 2. Minnesota Statutes 2012, section 477A.11, subdivision 3, is amended to read:

1.18 Subd. 3. **Acquired natural resources land.** "Acquired natural resources land"
 1.19 means:

1.20 (1) any land, other than wildlife management land, presently administered by the
 1.21 commissioner in which the state acquired by purchase, condemnation, or gift, a fee title
 1.22 interest in lands which were previously privately owned; and

1.23 (2) lands acquired by the state under chapter 84A that are designated as state parks,
 1.24 state recreation areas, scientific and natural areas, or wildlife management areas.

2.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
2.2 2013 and thereafter.

2.3 Sec. 3. Minnesota Statutes 2012, section 477A.11, subdivision 4, is amended to read:

2.4 Subd. 4. **Other natural resources land.** "Other natural resources land" means
2.5 any ~~other~~ land, other than acquired natural resource land or wildlife management land,
2.6 presently owned in fee title by the state and administered by the commissioner, or
2.7 any tax-forfeited land, other than platted lots within a city or those lands described
2.8 under subdivision 3, clause (2), which is owned by the state and administered by the
2.9 commissioner or by the county in which it is located.

2.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
2.11 2013 and thereafter.

2.12 Sec. 4. Minnesota Statutes 2012, section 477A.11, is amended by adding a subdivision
2.13 to read:

2.14 Subd. 6. **Military game refuge.** "Military game refuge" means land owned in
2.15 fee by another state agency for military purposes and designated as a state game refuge
2.16 under section 97A.085.

2.17 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
2.18 2013 and thereafter.

2.19 Sec. 5. Minnesota Statutes 2012, section 477A.11, is amended by adding a subdivision
2.20 to read:

2.21 Subd. 7. **Transportation wetland.** "Transportation wetland" means land
2.22 administered by the Department of Transportation in which the state acquired, by purchase
2.23 from a private owner, a fee title interest in over 500 acres of land within a county to
2.24 replace wetland losses from transportation projects.

2.25 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
2.26 2013 and thereafter.

2.27 Sec. 6. Minnesota Statutes 2012, section 477A.11, is amended by adding a subdivision
2.28 to read:

2.29 Subd. 8. **Wildlife management land.** "Wildlife management land" means land
2.30 administered by the commissioner in which the state acquired, from a private owner by

3.1 purchase, condemnation, or gift, a fee interest under the authority granted in chapter 94 or
 3.2 97A for wildlife management purposes and actually used as a wildlife management area.

3.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
 3.4 2013 and thereafter.

3.5 Sec. 7. Minnesota Statutes 2012, section 477A.12, subdivision 1, is amended to read:

3.6 Subdivision 1. **Types of land; payments.** ~~(a) As an offset for expenses incurred~~
 3.7 ~~by counties and towns in support of natural resources lands;~~ The following amounts are
 3.8 annually appropriated to the commissioner of natural resources from the general fund for
 3.9 transfer to the commissioner of revenue. The commissioner of revenue shall pay the
 3.10 transferred funds to counties as required by sections 477A.11 to 477A.14. The amounts,
 3.11 based on the acreage as of July 1 of each year prior to the payment year, are:

3.12 (1) for acquired natural resources land, \$5.133, as adjusted for inflation under section
 3.13 477A.135, multiplied by the total number of acres of acquired natural resources land or,
 3.14 at the county's option three-fourths of one percent of the appraised value of all acquired
 3.15 natural resources land in the county, whichever is greater;

3.16 (2) \$5.133, as adjusted for inflation under section 477A.135, multiplied by the total
 3.17 number of acres of transportation wetland or, at the county's option, three-fourths of
 3.18 one percent of the appraised value of all acquired natural resources land in the county,
 3.19 whichever is greater;

3.20 (3) three-fourths of one percent of the appraised value of all wildlife management
 3.21 land in the county;

3.22 (4) 50 percent of the dollar amount as determined under clause (1), multiplied by
 3.23 the number of acres of military refuge land in the county;

3.24 ~~\$1.283~~ (5) \$1.50, as adjusted for inflation under section 477A.135, multiplied by the
 3.25 number of acres of county-administered other natural resources land in the county;

3.26 ~~(3) \$1.283~~ (6) \$5.133, as adjusted for inflation under section 477A.135, multiplied
 3.27 by the total number of acres of land utilization project land in the county; and

3.28 ~~(4) 64.2 cents~~ (7) \$1.50, as adjusted for inflation under section 477A.135, multiplied
 3.29 by the number of acres of commissioner-administered other natural resources land located
 3.30 in each the county as of July 1 of each year prior to the payment year.

3.31 ~~(b) The amount determined under paragraph (a), clause (1), is payable for land~~
 3.32 ~~that is acquired from a private owner and owned by the Department of Transportation~~
 3.33 ~~for the purpose of replacing wetland losses caused by transportation projects, but only~~
 3.34 ~~if the county contains more than 500 acres of such land at the time the certification is~~
 3.35 ~~made under subdivision 2.~~

4.1 **EFFECTIVE DATE.** The inflation adjustments are effective retroactively for aids
 4.2 payable in calendar year 2012 and thereafter. The remaining provisions are effective for
 4.3 aids payable in calendar year 2013 and thereafter.

4.4 Sec. 8. Minnesota Statutes 2012, section 477A.12, subdivision 2, is amended to read:

4.5 Subd. 2. **Procedure.** ~~Lands for which payments in lieu are made pursuant to~~
 4.6 ~~section 97A.061, subdivision 3, and Laws 1973, chapter 567, shall not be eligible for~~
 4.7 ~~payments under this section.~~ Each county auditor shall certify to the Department of
 4.8 Natural Resources during July of each year prior to the payment year the number of acres
 4.9 of county-administered other natural resources land within the county. The Department of
 4.10 Natural resources may, in addition to the certification of acreage, require descriptive lists
 4.11 of land so certified. The commissioner of natural resources shall determine and certify to
 4.12 the commissioner of revenue by March 1 of the payment year:

4.13 (1) the number of acres and most recent appraised value of acquired natural
 4.14 resources land, wildlife management land, and military refuge land within each county;

4.15 (2) the number of acres of commissioner-administered natural resources land within
 4.16 each county;

4.17 (3) the number of acres of county-administered other natural resources land within
 4.18 each county, based on the reports filed by each county auditor with the commissioner
 4.19 of natural resources; and

4.20 (4) the number of acres of land utilization project land within each county.

4.21 The commissioner of transportation shall determine and certify to the commissioner
 4.22 of revenue by March 1 of the payment year the number of acres of land transportation
 4.23 wetland and the appraised value of the land ~~described in subdivision 1, paragraph (b),~~ but
 4.24 only if it exceeds 500 acres in a county.

4.25 The commissioner of revenue shall determine the distributions provided for in this
 4.26 section using the number of acres and appraised values certified by the commissioner of
 4.27 natural resources and the commissioner of transportation by March 1 of the payment year.

4.28 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
 4.29 2013 and thereafter.

4.30 Sec. 9. Minnesota Statutes 2012, section 477A.12, subdivision 3, is amended to read:

4.31 Subd. 3. **Determination of appraised value.** For the purposes of this section, the
 4.32 appraised value of acquired natural resources land is the purchase price ~~for the first five~~
 4.33 ~~years after acquisition~~ until the next six-year appraisal required under this subdivision.

4.34 The appraised value of acquired natural resources land received as a donation is the value

5.1 determined for the commissioner of natural resources by a licensed appraiser, or the
5.2 county assessor's estimated market value if no appraisal is done. The appraised value must
5.3 be determined by the county assessor every five ~~six~~ years after the land is acquired. All
5.4 reappraisals shall be done in the same year as county assessors are required to assess
5.5 exempt land under section 273.18.

5.6 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
5.7 2013 and thereafter.

5.8 Sec. 10. **[477A.135] INFLATION ADJUSTMENT.**

5.9 In 2012 and each year thereafter, the amounts required to be adjusted for inflation in
5.10 sections 477A.12 and 477A.14 shall be increased to an amount equal to the amount before
5.11 the inflation adjustment multiplied by one plus the percentage increase in the implicit
5.12 price deflator for government consumption expenditures and gross investment for state
5.13 and local governments prepared by the Bureau of Economic Analysis of the United States
5.14 Department of Commerce for the period starting with the first quarter of 2011, and ending
5.15 with the third quarter of the calendar year prior to the year in which aid is paid. These
5.16 adjusted amounts must be rounded to the nearest one-tenth of a cent.

5.17 **EFFECTIVE DATE.** This section is effective retroactively for aids payable in
5.18 calendar year 2012 and thereafter.

5.19 Sec. 11. Minnesota Statutes 2012, section 477A.14, subdivision 1, is amended to read:

5.20 Subdivision 1. **General distribution.** Except as provided in ~~subdivision 2 or in~~
5.21 ~~section 97A.061, subdivision 5~~ subdivisions 2 and 3, 40 percent of the total payment to
5.22 the county shall be deposited in the county general revenue fund to be used to provide
5.23 property tax levy reduction. The remainder shall be distributed by the county in the
5.24 following priority:

5.25 (a) 64.2 cents, as adjusted for inflation under section 477A.135, for each acre
5.26 of county-administered other natural resources land shall be deposited in a resource
5.27 development fund to be created within the county treasury for use in resource
5.28 development, forest management, game and fish habitat improvement, and recreational
5.29 development and maintenance of county-administered other natural resources land. Any
5.30 county receiving less than \$5,000 annually for the resource development fund may elect to
5.31 deposit that amount in the county general revenue fund;

5.32 (b) from the funds remaining, within 30 days of receipt of the payment to the county,
5.33 the county treasurer shall pay each organized township ~~51.3 cents~~ ten percent of the amount

6.1 received for each acre of acquired natural resources land and each acre of land described in
 6.2 section 477A.12, subdivision 1, paragraph (b) and transportation wetland, and 12.8 cents,
 6.3 as adjusted for inflation under section 477A.135, for each acre of other natural resources
 6.4 land and each acre of land utilization project land located within its boundaries. Payments
 6.5 for natural resources lands not located in an organized township shall be deposited in
 6.6 the county general revenue fund. Payments to counties and townships pursuant to this
 6.7 paragraph shall be used to provide property tax levy reduction, except that of the payments
 6.8 for natural resources lands not located in an organized township, the county may allocate
 6.9 the amount determined to be necessary for maintenance of roads in unorganized townships.
 6.10 Provided that, if the total payment to the county pursuant to section 477A.12 is not sufficient
 6.11 to fully fund the distribution provided for in this clause, the amount available shall be
 6.12 distributed to each township and the county general revenue fund on a pro rata basis; and
 6.13 (c) any remaining funds shall be deposited in the county general revenue fund.
 6.14 Provided that, if the distribution to the county general revenue fund exceeds \$35,000, the
 6.15 excess shall be used to provide property tax levy reduction.

6.16 **EFFECTIVE DATE.** The inflation adjustments are effective retroactively for aids
 6.17 payable in calendar year 2012 and thereafter. The remaining provisions are effective for
 6.18 aids payable in calendar year 2013 and thereafter.

6.19 Sec. 12. Minnesota Statutes 2012, section 477A.14, is amended by adding a
 6.20 subdivision to read:

6.21 Subd. 3. **Distribution for wildlife management lands and military refuge lands.**
 6.22 (a) The county treasurer shall allocate the payment for wildlife management land and
 6.23 military game refuge land among the county, towns, and school districts on the same basis
 6.24 as if the payments were taxes on the land received in the year. Payment of a town's or a
 6.25 school district's allocation must be made by the county treasurer to the town or school
 6.26 district within 30 days of receipt of the payment to the county. The county's share of the
 6.27 payment shall be deposited in the county general revenue fund.

6.28 (b) The county treasurer of a county with a population over 39,000, but less than
 6.29 42,000, in the 1950 federal census shall allocate the payment only among the towns and
 6.30 school districts on the same basis as if the payments were taxes on the lands received
 6.31 in the current year.

6.32 (c) If a town received a payment in calendar year 2006 or thereafter under this
 6.33 subdivision, and subsequently incorporated as a city, the city shall continue to receive any
 6.34 future year's allocations of wildlife land payments that would have been made to the town

7.1 had it not incorporated, provided that the payments shall terminate if the governing body
7.2 of the city passes an ordinance that prohibits hunting within the boundaries of the city.

7.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
7.4 2013 and thereafter.

7.5 Sec. 13. **2012 PAYMENT ADJUSTMENT.**

7.6 Any payment adjustments required by this act for payments in lieu of taxes for
7.7 calendar year 2012 shall be added to the calendar year 2013 payments under Minnesota
7.8 Statutes, section 477A.12. Distribution of the additional aid payments shall be added to
7.9 the calendar year 2013 distribution under Minnesota Statutes, section 477A.14.

7.10 Sec. 14. **REPEALER.**

7.11 Minnesota Statutes 2012, section 97A.061, is repealed on July 1, 2013.

97A.061 PAYMENT IN LIEU OF TAXES.

Subdivision 1. **Applicability; amount.** (a) The commissioner shall annually make a payment to each county having public hunting areas and game refuges. Money to make the payments is annually appropriated for that purpose from the general fund. Except as provided in paragraph (b), this section does not apply to state trust fund land and other state land not purchased for game refuge or public hunting purposes. Except as provided in paragraph (b), the payment shall be the greatest of:

(1) 35 percent of the gross receipts from all special use permits and leases of land acquired for public hunting and game refuges;

(2) 50 cents per acre on land purchased actually used for public hunting or game refuges; or

(3) three-fourths of one percent of the appraised value of purchased land actually used for public hunting and game refuges.

(b) The payment shall be 50 percent of the dollar amount as determined under section 477A.12, subdivision 1, paragraph (a), clause (1), multiplied by the number of acres of land in the county that are owned by another state agency for military purposes and designated as a game refuge under section 97A.085.

(c) The payment must be reduced by the amount paid under subdivision 3 for croplands managed for wild geese.

(d) The appraised value is the purchase price for five years after acquisition. The appraised value shall be determined by the county assessor every five years after acquisition.

Subd. 2. **Allocation.** (a) Except as provided in subdivision 3, the county treasurer shall allocate the payment among the county, towns, and school districts on the same basis as if the payments were taxes on the land received in the year. Payment of a town's or a school district's allocation must be made by the county treasurer to the town or school district within 30 days of receipt of the payment to the county. The county's share of the payment shall be deposited in the county general revenue fund.

(b) The county treasurer of a county with a population over 39,000 but less than 42,000 in the 1950 federal census shall allocate the payment only among the towns and school districts on the same basis as if the payments were taxes on the lands received in the current year.

(c) If a town received a payment in calendar year 2006 or thereafter under this subdivision, and subsequently incorporated as a city, the city will continue to receive any future year's allocations that would have been made to the town had it not incorporated, provided that the payments will terminate if the governing body of the city passes an ordinance that prohibits hunting within the boundaries of the city.

Subd. 3. **Goose management croplands.** (a) The commissioner shall make a payment on July 1 of each year to each county where the state owns more than 1,000 acres of crop land, for wild goose management purposes. The payment shall be equal to the taxes assessed on comparable, privately owned, adjacent land. Money to make the payments is annually appropriated for that purpose from the general fund. The county treasurer shall allocate and distribute the payment as provided in subdivision 2.

(b) The land used for goose management under this subdivision is exempt from taxation as provided in sections 272.01 and 273.19.

Subd. 4. **Offset of payments.** Payments to a county or town under this section must be reduced by the amount of payment to that county or town under section 477A.12 for the same lands in the same year.

Subd. 5. **Allocation of payments.** Notwithstanding section 477A.14, the amounts paid to a county under section 477A.14 for lands that are also subject to payment under this section shall be allocated within the county in accordance with subdivision 2.