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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1931

03/16/2015 Authored by Torkelson

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance

03/23/2015 Adoption of Report: Re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; sustainable forest incentive program; aquatic invasive species
1.3 prevention aid; modifying program requirements; providing for registration
1.4 and annual verification of forest management plans and certifying eligibility
1.5 requirements; requiring certification for aquatic invasive species aid; eliminating
1.6 obsolete provisions for calculating sustainable forest incentive program payments;
1.7 amending Minnesota Statutes 2014, sections 290C.03; 477A.19, by adding
1.8 subdivisions; proposing coding for new law in Minnesota Statutes, chapter 290C;
1.9 repealing Minnesota Statutes 2014, sections 290C.02, subdivisions 5, 9; 290C.06.

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

1.11 Section 1. Minnesota Statutes 2014, section 290C.03, is amended to read:

1.12 **290C.03 ELIGIBILITY REQUIREMENTS.**

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

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

1.18 (2) a forest management plan for the land must be (i) prepared by an approved plan
1.19 writer and implemented during the period in which the land is enrolled, and (ii) registered
1.20 with the Department of Natural Resources;

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

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

1.25 (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 and motorized access on established and maintained roads and trails, unless the road or trail is temporarily closed for safety, natural resource, or road damage reasons 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 land is not classified as 2c managed forest land.

(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.

(c) A minimum of three acres must be excluded from enrolled land when the land is improved with a structure that is not a minor, ancillary, or nonresidential structure. If land does not meet the definition of forest land in section 290C.02, subdivision 6, because the land is (1) enrolled in the reinvest in Minnesota program, (2) enrolled in a state or federal conservation reserve or easement program under sections 103F.501 to 103F.531, (3) subject to the Minnesota agricultural property tax under section 273.111, or (4) subject to agricultural land preservation controls or restrictions as defined in section 40A.02, or the Metropolitan Agricultural Preserves Act under chapter 473H, the entire parcel that contains the land is not eligible to be enrolled in the program.

EFFECTIVE DATE. The amendment to paragraph (a), clause (2), is effective for certifications filed after July 1, 2016. The amendment adding paragraph (a), clause (7), is effective for certifications and applications due in 2015 and thereafter. The amendment adding paragraph (c) is effective the day following final enactment.

Sec. 2. [290C.051] VERIFICATION OF FOREST MANAGEMENT PLAN.

On request of the commissioner, the commissioner of natural resources must annually provide verification that the claimant has a current forest management plan on file with the Department of Natural Resources.

EFFECTIVE DATE. This section is effective for certifications filed after July 1, 2016.

3.1 Sec. 3. Minnesota Statutes 2014, section 477A.19, is amended by adding a subdivision
3.2 to read:

3.3 Subd. 3a. **Certification.** On or before June 1 of each year, the commissioner of
3.4 natural resources shall certify to the commissioner of revenue the number of watercraft
3.5 launches and the number of watercraft trailer parking spaces in each county.

3.6 **EFFECTIVE DATE.** This section is effective for transition aid payable in 2016
3.7 and thereafter.

3.8 Sec. 4. Minnesota Statutes 2014, section 477A.19, is amended by adding a subdivision
3.9 to read:

3.10 Subd. 3b. **Certification.** On or before June 1 of each year, the commissioner of
3.11 natural resources shall certify to the commissioner of revenue the counties that complied
3.12 with the requirements of subdivision 3 the prior year and are eligible to receive aid
3.13 under this section.

3.14 **EFFECTIVE DATE.** This section is effective for transition aid payable in 2016
3.15 and thereafter.

3.16 Sec. 5. **REPEALER.**

3.17 Minnesota Statutes 2014, sections 290C.02, subdivisions 5 and 9; and 290C.06, are
3.18 repealed.

3.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

APPENDIX
Repealed Minnesota Statutes: 15-3512

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.

Subd. 9. **Capitalization rate.** By July 1 of each year, the commissioner shall determine a statewide capitalization rate for use under this chapter. The rate shall be the average annual effective interest rate for St. Paul on new loans under the Farm Credit Bank system calculated under section 2032A(e)(7)(A) of the Internal Revenue Code.

**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.