

CHAPTER 92

STATE LANDS; SALES, INVESTMENT OF PROCEEDS

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92.06 PAYMENTS; INTEREST.

Subdivision 1. **Terms.** (a) The terms of payment on the sale of state public lands must be as follows: The purchaser shall pay in cash at the time of sale the appraised value of all timber. At least 15 percent of the purchase price of the land exclusive of timber must be paid in cash at the time of sale. The balance must be paid in no more than 20 equal annual installments. Payments must be made by June 1 each year following the year in which the purchase was made, with interest at the rate in effect at the time of sale, calculated under this subdivision, on the unpaid balances. Any installment of principal or interest may be paid in advance, but part payment of an installment will not be accepted. For the purpose of computing interest, any installment of principal not paid on June 1 shall be credited on the following June 1.

(b) Interest on unpaid balances must be computed as annual simple interest. The rate of interest must be based on average effective interest rates on mortgage loans as provided in paragraph (c).

(c) On or before December 31 of each year, the commissioner of natural resources shall determine the rate from the average effective interest rate on loans closed using the office of thrift supervision series, formerly the federal home loan bank board series, or its successor agency, for the most recent calendar month, reported on a monthly basis in the latest statistical release of the board of governors of the federal reserve system. This yield, rounded to the nearest quarter of one percent, is the annual interest rate for sales of state land during the succeeding calendar year.

(d) For state land sales in calendar year 1993 after July 1, 1993, the rate is eight percent, which is the September 1992 average from the office of thrift supervision series, rounded to the nearest quarter of one percent.

[For text of subs 2 to 5, see M.S.1992]

History: 1993 c 285 s 6

92.14 SALE, NOTICE.

[For text of subd 1, see M.S.1992]

Subd. 2. **Contents.** The notice must contain the following information:

- (1) the time and place for the holding of the sales;
- (2) a general statement of the terms of sale; and
- (3) the place where lists of lands to be offered for sale may be obtained.

[For text of subd 3, see M.S.1992]

History: 1993 c 285 s 7

92.19 ASSIGNMENT; EXTENSIONS OF PAYMENT.

When a certificate or partial interest in a certificate is assigned, the assignment must be made on a form prescribed by the commissioner, executed by the assignor and assignee, and consented to by the commissioner. An assignment of a partial interest shall recite that payment in full has been made to the commissioner.

When the assignee satisfies the terms of the assignment and corresponding terms of the certificate, the commissioner shall issue a deed or patent to the assignee.

History: 1993 c 285 s 8

92.29 LAND PATENTS.

The commissioner of natural resources shall sign and issue in the name of the state and under the seal of the state a patent for the land described in any certificate of sale when the principal and interest specified in the certificate of sale and all delinquent taxes due on the land have been paid. The patent shall be issued to the purchaser named in the certificate of sale, or the purchaser's successor in interest by execution, judicial, mortgage or tax sale, or the assignee, vendee, heir or devisee of the purchaser, as shown by a properly certified abstract of title or other evidence if the purchaser's successor is a person other than the purchaser named in the certificate of sale. If the certificate of sale has become lost or destroyed, an affidavit stating that fact or a certified copy of the certificate must be submitted by the applicant for a patent.

History: 1993 c 285 s 9

92.35 DUTIES AND POWERS.

The commissioner of natural resources must classify all public and private lands in the state by the use to which the lands are adapted, but principally as to adaptability to present known uses, such as agriculture and forestry. This classification must be based on consideration of the known physical and economic factors affecting use of the land. The commissioner must consult private, state, and federal agencies concerned with land use. The commissioner may appoint advisory committees of residents of the state concerned with and interested in land use. The advisory committees shall serve without pay, at the pleasure of the commissioner. The advisory committee must consider and report on land use problems submitted by the commissioner. The classification must be done first in the counties having land classification committees. In determining the land classification, the commissioner must consult and cooperate with the land classification committee. The determination of the land classification committee is final.

History: 1993 c 163 art 1 s 9

92.36 LANDS CLASSIFIED.

Upon the basis of all of the facts concerning land use now obtainable and as provided in sections 92.34 to 92.37 the commissioner of natural resources shall temporarily classify land areas with reference to the known uses to which the areas are adapted or adaptable. A certified copy of the temporary classification, together with a brief statement of the reasons for it, must be recorded in the office of the county recorder in each county containing the lands classified. No fees need be paid for this recording. After the temporary classification has been adopted by the commissioner, none of the lands classified as nonagricultural may be sold or leased by the state for agricultural purposes.

History: 1993 c 163 art 1 s 10

92.46 LANDS AS CAMPGROUNDS.

Subdivision 1. Public campgrounds. (a) The director may designate suitable portions of the state lands withdrawn from sale and not reserved, as provided in section 92.45, as permanent state public campgrounds. The director may have the land surveyed and platted into lots of convenient size, and lease them for cottage and camp purposes under terms and conditions the director prescribes, subject to the provisions of this section.

(b) A lease may not be for a term more than 20 years. The lease may allow renewal, from time to time, for additional terms of no longer than 20 years each. The lease may be canceled by the commissioner 90 days after giving the person leasing the land written

notice of violation of lease conditions. The lease rate shall be based on the appraised value of leased land as determined by the commissioner of natural resources and shall be adjusted by the commissioner at the fifth, tenth, and 15th anniversary of the lease, if the appraised value has increased or decreased. For leases that are renewed in 1991 and following years, the lease rate shall be five percent of the appraised value of the leased land. The appraised value shall be the value of the leased land without any private improvements and must be comparable to similar land without any improvements within the same county. The minimum appraised value that the commissioner assigns to the leased land must be substantially equal to the county assessor's estimated market value of similar land adjusted by the assessment/sales ratio as determined by the department of revenue.

(c) By July 1, 1986, the commissioner of natural resources shall adopt rules under chapter 14 to establish procedures for leasing land under this section. The rules shall be subject to review and approval by the commissioners of revenue and administration prior to the initial publication pursuant to chapter 14 and prior to their final adoption. The rules must address at least the following:

- (1) method of appraising the property; and
- (2) an appeal procedure for both the appraised values and lease rates.
- (d) All money received from these leases must be credited to the fund to which the proceeds of the land belong.

Notwithstanding section 16A.125 or any other law to the contrary, 50 percent of the money received from the lease of permanent school fund lands leased pursuant to this subdivision shall be deposited into the permanent school trust fund. However, in fiscal years 1994 and 1995, this money must be credited to the lakeshore sales account in the permanent school fund and, subject to appropriation, may be used to survey, appraise, and pay associated selling costs of lots as required in section 92.67, subdivision 3. The money may not be used to pay the cost of surveying lots not scheduled for sale. Any money designated for deposit in the permanent school fund that is not needed to survey, appraise, and pay associated selling costs of lots, as required in section 92.67, shall be deposited in the permanent school fund. The commissioner shall add to the appraised value of any lot offered for sale the costs of surveying, appraising, and selling the lot, and shall first deposit into the permanent school fund an amount equal to the costs of surveying, appraising, and selling any lot paid out of the permanent school fund. Any remaining money shall be deposited into any other contributing funds in proportion to the contribution from each fund. In no case may the commissioner add to the appraised value of any lot offered for sale an amount more than \$700 for the costs of surveying and appraising the lot.

[For text of subds 1a to 4, see M.S.1992]

History: 1993 c 172 s 48

92.50 UNSOLD LANDS SUBJECT TO SALE MAY BE LEASED.

Subdivision 1. Lease terms. (a) The commissioner of natural resources may lease land under the commissioner's jurisdiction and control:

- (1) to remove sand, gravel, clay, rock, marl, peat, and black dirt;
- (2) to store ore, waste materials from mines, or rock and tailings from ore milling plants;
- (3) for roads or railroads; or
- (4) for other uses consistent with the interests of the state.

(b) The commissioner shall offer the lease at public or private sale for an amount and under terms and conditions prescribed by the commissioner. Commercial leases for more than ten years and leases for removal of peat that cover 320 or more acres must be approved by the executive council.

- (c) The lease term may not exceed ten years except:

(1) leases of lands for storage sites for ore, waste materials from mines, or rock and tailings from ore milling plants, or for the removal of peat may not exceed a term of 25 years;

(2) leases for the use of peat lands for agricultural purposes may not exceed 21 years; and

(3) leases for commercial purposes, including major resort, convention center, or recreational area purposes, may not exceed a term of 40 years.

(d) Leases must be subject to sale and leasing of the land for mineral purposes and contain a provision for cancellation for just cause at any time by the commissioner upon six months' written notice. A longer notice period, not exceeding three years, may be provided in leases for storing ore, waste materials from mines or rock or tailings from ore milling plants. The commissioner may determine the terms and conditions, including the notice period, for cancellation of a lease for the removal of peat and commercial leases.

(e) Money received from leases under this section must be credited to the fund to which the land belongs.

[For text of subd 2, see M.S.1992]

History: 1993 c 113 art 1 s 1

92.67 SALE PROCEDURE.

[For text of subd 1, see M.S.1992]

Subd. 1a. **Horseshoe Bay land sale postponed until July 1, 1998.** The sale date of December 31, 1993, listed in subdivision 1 shall be postponed until July 1, 1998, for all state lands located in section 16, township 62N, range 4E, Cook county. The commissioner shall continue the existing leases until that time. The commissioner, in conjunction with the Cook county board of commissioners shall prepare an integrated resource management plan and make recommendations to the legislature on the future use of the lands in section 16, township 62N, range 4E, Cook county, by July 1, 1997.

[For text of subds 2 to 4, see M.S.1992]

Subd. 5. **Terms of sale.** For the sale of the public lands under this section, the purchaser shall pay the state ten percent of the purchase price at the time of the sale. The balance must be paid in no more than 20 equal annual installments. The interest rate on the remaining balance shall be at the rate in effect at the time of the sale under section 92.06, subdivision 1.

[For text of subd 5a, see M.S.1992]

History: 1993 c 205 s 1; 1993 c 285 s 10