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# HOUSE FILE NO. 1395

## *FIRST COMMITTEE ENGROSSMENT*

March 5, 2009

Authored by Mullery

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections

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*Referred by Chair to Local Government Division.*

March 1, 2010

*Returned to the Committee on State and Local Government Operations Reform, Technology and Elections as Amended.*

1.1 A bill for an act  
1.2 relating to real property; modifying procedures relating to uses and conveyances  
1.3 of tax-forfeited property; amending Minnesota Statutes 2008, section 282.01,  
1.4 subdivisions 1, 1a, 1b, 1c, 1d, 2, 3, 4, 7, 7a, by adding subdivisions; repealing  
1.5 Minnesota Statutes 2008, sections 282.01, subdivisions 9, 10, 11; 383A.76.

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

1.7 Section 1. Minnesota Statutes 2008, section 282.01, subdivision 1, is amended to read:

1.8 Subdivision 1. **Classification as conservation or nonconservation.** ~~It is the~~  
1.9 ~~general policy of this state to encourage the best use of tax-forfeited lands, recognizing~~  
1.10 (a) When acting on behalf of the state under laws allowing the county board to classify  
1.11 and manage tax-forfeited lands held by the state in trust for the local units as provided in  
1.12 section 281.25, the county board has the discretion to decide that some lands in public  
1.13 ownership should be retained and managed for public benefits while other lands should be  
1.14 returned to private ownership. Parcels of land becoming the property of the state in trust  
1.15 under law declaring the forfeiture of lands to the state for taxes must be classified by the  
1.16 county board of the county in which the parcels lie as conservation or nonconservation. In  
1.17 making the classification the board shall consider the present use of adjacent lands, the  
1.18 productivity of the soil, the character of forest or other growth, accessibility of lands  
1.19 to established roads, schools, and other public services, their peculiar suitability or  
1.20 desirability for particular uses, and the suitability of the forest resources on the land for  
1.21 multiple use; and sustained yield management. The classification, furthermore, must: (1)  
1.22 encourage and foster a mode of land utilization that will facilitate the economical and  
1.23 adequate provision of transportation, roads, water supply, drainage, sanitation, education,  
1.24 and recreation; (2) facilitate reduction of governmental expenditures; (3) conserve and  
1.25 develop the natural resources; ~~and~~ (4) protect and sustain important environmental and

2.1 ecological systems; and (5) foster and develop agriculture and other industries in the  
2.2 districts and places best suited to them.

2.3 ~~In making the classification the county board may use information made available~~  
2.4 ~~by any office or department of the federal, state, or local governments, or by any other~~  
2.5 ~~person or agency possessing pertinent information at the time the classification is made.~~  
2.6 ~~The lands may be reclassified from time to time as the county board considers necessary~~  
2.7 ~~or desirable, except for conservation lands held by the state free from any trust in favor of~~  
2.8 ~~any taxing district.~~

2.9 ~~If the lands are located within the boundaries of an organized town, with taxable~~  
2.10 ~~valuation in excess of \$20,000, or incorporated municipality, the classification or~~  
2.11 ~~reclassification and sale must first be approved by the town board of the town or the~~  
2.12 ~~governing body of the municipality in which the lands are located. The town board of~~  
2.13 ~~the town or the governing body of the municipality is considered to have approved~~  
2.14 ~~the classification or reclassification and sale if the county board is not notified of the~~  
2.15 ~~disapproval of the classification or reclassification and sale within 60 days of the date the~~  
2.16 ~~request for approval was transmitted to the town board of the town or governing body~~  
2.17 ~~of the municipality. If the town board or governing body desires to acquire any parcel~~  
2.18 ~~lying in the town or municipality by procedures authorized in this section, it must file a~~  
2.19 ~~written application with the county board to withhold the parcel from public sale. The~~  
2.20 ~~application must be filed within 60 days of the request for classification or reclassification~~  
2.21 ~~and sale. The county board shall then withhold the parcel from public sale for six months.~~  
2.22 ~~A municipality or governmental subdivision shall pay maintenance costs incurred by~~  
2.23 ~~the county during the six-month period while the property is withheld from public sale,~~  
2.24 ~~provided the property is not offered for public sale after the six-month period. A clerical~~  
2.25 ~~error made by county officials does not serve to eliminate the request of the town board~~  
2.26 ~~or governing body if the board or governing body has forwarded the application to the~~  
2.27 ~~county auditor. If the town board or governing body of the municipality fails to submit an~~  
2.28 ~~application and a resolution of the board or governing body to acquire the property within~~  
2.29 ~~the withholding period, the county may offer the property for sale upon the expiration of~~  
2.30 ~~the withholding period.~~

2.31 (b) Whenever the county board deems it appropriate, the board may hold a meeting  
2.32 for the purpose of reclassifying tax-forfeited land that has not been sold or released from  
2.33 the trust. The criteria and procedures for reclassification are the same as those required for  
2.34 an initial classification.

2.35 (c) Prior to meeting for the purpose of classifying or reclassifying tax-forfeited lands,  
2.36 the county board must give notice of its intent to meet for that purpose as provided in this

3.1 paragraph. The notice must be given no more than 90 days and no less than 60 days before  
3.2 the date of the meeting; provided that if the meeting is rescheduled, notice of the new  
3.3 date, time, and location must be given at least 14 days before the date of the rescheduled  
3.4 meeting. The notice must be posted on a Web site. The notice must also be mailed or  
3.5 otherwise delivered to each person who has filed a request for notice of special meetings  
3.6 with the public body, regardless of whether the matter is considered at a regular or special  
3.7 meeting. The notice must be mailed or delivered at least 60 days before the date of the  
3.8 meeting. If the meeting is rescheduled, notice of the new date, time, and location must be  
3.9 mailed or delivered at least 14 days before the date of the rescheduled meeting. The public  
3.10 body shall publish the notice once, at least 30 days before the meeting, in a newspaper of  
3.11 general circulation within the area of the public body's authority. The board must also mail  
3.12 a notice by electronic means to each person who requests notice of meetings dealing with  
3.13 this subject and who agrees as provided in chapter 325L to accept notice that is mailed  
3.14 by electronic means. Receipt of actual notice under the conditions specified in section  
3.15 13D.04, subdivision 7, satisfies the notice requirements of this paragraph.

3.16 The board may classify or reclassify tax-forfeited lands at any regular or special  
3.17 meeting, as those terms are defined in chapter 13D and may conduct only this business, or  
3.18 this business as well as other business or activities at the meeting.

3.19 (d) At the meeting, the county board must allow any person or agency possessing  
3.20 pertinent information to make or submit comments and recommendations about the  
3.21 pending classification or reclassification. In addition, representatives of governmental  
3.22 entities in attendance must be allowed to describe plans, ideas, or projects that may  
3.23 involve use or acquisition of the property by that or another governmental entity. The  
3.24 county board must solicit and consider any relevant components of current municipal or  
3.25 metropolitan comprehensive land use plans that incorporate the area in which the land  
3.26 is located. After allowing testimony, the board may classify, reclassify, or delay taking  
3.27 action on any parcel or parcels. In order for a state agency or a governmental subdivision  
3.28 of the state to preserve its right to request a purchase or other acquisition of a forfeited  
3.29 parcel, it may, at any time following forfeiture, file a written request to withhold the parcel  
3.30 from sale or lease to others under the provisions of subdivision 1a.

3.31 (e) When classifying, reclassifying, appraising, and selling lands under this chapter,  
3.32 the county board may designate the tracts as assessed and acquired, or may by resolution  
3.33 provide for the subdivision of the tracts into smaller units or for the grouping of several  
3.34 tracts into one tract when the subdivision or grouping is deemed advantageous for  
3.35 conservation or sale purposes. This paragraph does not authorize the county board to

4.1 subdivide a parcel or tract of tax-forfeited land that, as assessed and acquired, is withheld  
4.2 from sale under section 282.018, subdivision 1.

4.3 (f) A county board may by resolution elect to use the classification and  
4.4 reclassification procedures provided in paragraphs (g), (h), and (i), instead of the  
4.5 procedures provided in paragraphs (b), (c), and (d). Once an election is made under this  
4.6 paragraph, it is effective for a minimum of five years.

4.7 (g) The classification or reclassification of tax-forfeited land that has not been sold or  
4.8 released from the trust may be made by the county board using information made available  
4.9 to it by any office or department of the federal, state, or local governments, or by any other  
4.10 person or agency possessing pertinent information at the time the classification is made.

4.11 (h) If the lands are located within the boundaries of an organized town or  
4.12 incorporated municipality, a classification or reclassification and sale must first be  
4.13 approved by the town board of the town or the governing body of the municipality in  
4.14 which the lands are located. The town board of the town or the governing body of the  
4.15 municipality is considered to have approved the classification or reclassification and sale  
4.16 if the county board is not notified of the disapproval of the classification or reclassification  
4.17 and sale within 60 days of the date the request for approval was transmitted to the town  
4.18 board of the town or governing body of the municipality. If the town board or governing  
4.19 body disapproves of the classification or reclassification and sale, the county board must  
4.20 follow the procedures in paragraphs (c) and (d), with regard to the parcel, and must  
4.21 additionally cause to be published in a newspaper a notice of the date, time, location, and  
4.22 purpose of the required meeting.

4.23 (i) If a town board or a governing body of a municipality or a park and recreation  
4.24 board in a city of the first class desires to acquire any parcel lying in the town or  
4.25 municipality by procedures authorized in this section, it may file a written request under  
4.26 subdivision 1a, paragraph (a).

4.27 **EFFECTIVE DATE.** This section is effective July 1, 2010.

4.28 Sec. 2. Minnesota Statutes 2008, section 282.01, subdivision 1a, is amended to read:

4.29 Subd. 1a. **Conveyance; generally to public entities.** (a) Upon written request  
4.30 from a state agency or a governmental subdivision of the state, a parcel of unsold  
4.31 tax-forfeited land must be withheld from sale or lease to others for a maximum of six  
4.32 months. The request must be submitted to the county auditor. Upon receipt, the county  
4.33 auditor must withhold the parcel from sale or lease to any other party for six months, and  
4.34 must confirm the starting date of the six-month withholding period to the requesting  
4.35 agency or subdivision. If the request is from a governmental subdivision of the state, the

5.1 governmental subdivision must pay the maintenance costs incurred by the county during  
5.2 the period the parcel is withheld. The county board may approve a sale or conveyance to  
5.3 the requesting party during the withholding period. A conveyance of the property to the  
5.4 requesting party terminates the withholding period.

5.5 A governmental subdivision of the state must not make, and a county auditor must  
5.6 not act upon, a second request to withhold a parcel from sale or lease within 18 months  
5.7 of a previous request for that parcel. A county may reject a request made under this  
5.8 paragraph if the request is made more than 30 days after the county has given notice to the  
5.9 requesting state agency or governmental subdivision of the state that the county intends to  
5.10 sell or otherwise dispose of the property.

5.11 (b) Nonconservation tax-forfeited lands may be sold by the county board, for  
5.12 their market value as determined by the county board, to an organized or incorporated  
5.13 governmental subdivision of the state for any public purpose for which the subdivision is  
5.14 authorized to acquire property or. When the term "market value" is used in this section, it  
5.15 means an estimate of the full and actual market value of the parcel as determined by the  
5.16 county board, but in making this determination, the board and the persons employed by or  
5.17 under contract with the board in order to perform, conduct, or assist in the determination,  
5.18 are exempt from the licensure requirements of chapter 82B.

5.19 (c) Nonconservation tax-forfeited lands may be released from the trust in favor of the  
5.20 taxing districts on application of to the county board by a state agency for an authorized  
5.21 use at not less than their market value as determined by the county board.

5.22 (d) Nonconservation tax-forfeited lands may be sold by the county board to an  
5.23 organized or incorporated governmental subdivision of the state or state agency for less  
5.24 than their market value if:

5.25 (1) the county board determines that a sale at a reduced price is in the public interest  
5.26 because a reduced price is necessary to provide an incentive to correct the blighted  
5.27 conditions that make the lands undesirable in the open market, or the reduced price will  
5.28 lead to the development of affordable housing; and

5.29 (2) the governmental subdivision or state agency has documented its specific plans  
5.30 for correcting the blighted conditions or developing affordable housing, and the specific  
5.31 law or laws that empower it to acquire real property in furtherance of the plans.

5.32 If the sale under this paragraph is to a governmental subdivision of the state, the  
5.33 commissioner of revenue must convey the property on behalf of the state by quit claim  
5.34 deed. If the sale under this paragraph is to a state agency, the commissioner must issue a  
5.35 conveyance document that releases the property from the trust in favor of the taxing  
5.36 districts.

6.1 (e) Nonconservation tax-forfeited land held in trust in favor of the taxing districts  
6.2 may be conveyed by the commissioner of revenue ~~may convey by deed~~ in the name  
6.3 of the state ~~a tract of tax-forfeited land held in trust in favor of the taxing districts~~ to a  
6.4 governmental subdivision for an authorized public use, if an application is submitted to  
6.5 the commissioner which includes a statement of facts as to the use to be made of the tract  
6.6 and the need therefor and the favorable recommendation of the county board. For the  
6.7 purposes of this paragraph, "authorized public use" means a use that allows an indefinite  
6.8 segment of the public to physically use and enjoy the property in numbers appropriate  
6.9 to its size and use, or is for a public service facility. Authorized public uses as defined  
6.10 in this paragraph are limited to:

6.11 (1) a road, or right-of-way for a road;

6.12 (2) a park that is both available to, and accessible by, the public that contains  
6.13 amenities such as campgrounds, playgrounds, athletic fields, trails, or shelters;

6.14 (3) trails for walking, bicycling, snowmobiling, or other recreational purposes, along  
6.15 with a reasonable amount of surrounding land maintained in its natural state;

6.16 (4) transit facilities for buses, light rail transit, commuter rail or passenger rail,  
6.17 including transit ways, park-and-ride lots, transit stations, maintenance and garage  
6.18 facilities, and other facilities related to a public transit system;

6.19 (5) public beaches or boat launches;

6.20 (6) public parking;

6.21 (7) civic recreation or conference facilities; and

6.22 (8) public service facilities such as fire halls, police stations, lift stations, water  
6.23 towers, sanitation facilities, water treatment facilities, and administrative offices.

6.24 No monetary compensation or consideration is required for the conveyance, except as  
6.25 provided in subdivision 1g, but the conveyance is subject to the conditions provided in  
6.26 law, including, but not limited to, the reversion provisions of subdivisions 1c and 1d.

6.27 (f) The commissioner of revenue shall convey a parcel of nonconservation  
6.28 tax-forfeited land to a local governmental subdivision of the state by quit claim deed  
6.29 on behalf of the state upon the favorable recommendation of the county board if the  
6.30 governmental subdivision has certified to the board that prior to forfeiture the subdivision  
6.31 was entitled to the parcel under a written development agreement or instrument, but  
6.32 the conveyance failed to occur prior to forfeiture. No compensation or consideration is  
6.33 required for, and no conditions attach to, the conveyance.

6.34 (g) The commissioner of revenue shall convey a parcel of nonconservation  
6.35 tax-forfeited land to the association of a common interest community by quit claim deed  
6.36 upon the favorable recommendation of the county board if the association certifies to the

7.1 board that prior to forfeiture the association was entitled to the parcel under a written  
7.2 agreement, but the conveyance failed to occur prior to forfeiture. No compensation or  
7.3 consideration is required for, and no conditions attach to, the conveyance.

7.4 (h) Conservation tax-forfeited land may be sold to a governmental subdivision of the  
7.5 state for less than its market value for either: (1) creation or preservation of wetlands;  
7.6 (2) drainage or storage of storm water under a storm water management plan; or (3)  
7.7 preservation, or restoration and preservation, of the land in its natural state. The deed must  
7.8 contain a restrictive covenant limiting the use of the land to one of these purposes for  
7.9 30 years or until the property is reconveyed back to the state in trust. At any time, the  
7.10 governmental subdivision may reconvey the property to the state in trust for the taxing  
7.11 districts. The deed of reconveyance is subject to approval by the commissioner of revenue.  
7.12 No part of a purchase price determined under this paragraph shall be refunded upon a  
7.13 reconveyance, but the amount paid for a conveyance under this paragraph may be taken  
7.14 into account by the county board when setting the terms of a future sale of the same  
7.15 property to the same governmental subdivision under paragraph (b) or (d). If the lands  
7.16 are unplatted and located outside of an incorporated municipality and the commissioner  
7.17 of natural resources determines there is a mineral use potential, the sale is subject to the  
7.18 approval of the commissioner of natural resources.

7.19 (i) A park and recreation board in a city of the first class is a governmental  
7.20 subdivision for the purposes of this section.

7.21 **EFFECTIVE DATE.** This section is effective July 1, 2010.

7.22 Sec. 3. Minnesota Statutes 2008, section 282.01, subdivision 1b, is amended to read:

7.23 Subd. 1b. **Conveyance; targeted neighborhood lands.** ~~(a)~~ Notwithstanding  
7.24 subdivision 1a, in the case of tax-forfeited lands located in a targeted neighborhood, ~~as~~  
7.25 ~~defined in section 469.201, subdivision 10~~ in a city of the first class, the commissioner of  
7.26 revenue shall convey by quit claim deed in the name of the state any tract of tax-forfeited  
7.27 land held in trust in favor of the taxing districts, to a political subdivision of the state that  
7.28 submits an application to the commissioner of revenue and the favorable recommendation  
7.29 of the county board. For purposes of this subdivision, the term "targeted neighborhood"  
7.30 has the meaning given in section 469.201, subdivision 10, except that the land must be  
7.31 located within a first class city.

7.32 ~~(b) The application under paragraph (a) must include a statement of facts as to the~~  
7.33 ~~use to be made of the tract, the need therefor, and a resolution, adopted by the governing~~  
7.34 ~~body of the political subdivision, finding that the conveyance of a tract of tax-forfeited~~  
7.35 ~~land to the political subdivision is necessary to provide for the redevelopment of land as~~

8.1 ~~productive taxable property. Deeds of conveyance issued under paragraph (a) are not~~  
8.2 ~~conditioned on continued use of the property for the use stated in the application.~~

8.3 **EFFECTIVE DATE.** This section is effective July 1, 2010.

8.4 Sec. 4. Minnesota Statutes 2008, section 282.01, subdivision 1c, is amended to read:

8.5 Subd. 1c. **Deed of conveyance; form; approvals.** The deed of conveyance for  
8.6 property conveyed for ~~a~~ an authorized public use under the authorities in subdivision  
8.7 1a, paragraph (e), must be on a form approved by the attorney general and must be  
8.8 conditioned on continued use for the purpose stated in the application as provided in this  
8.9 section. These deeds are conditional use deeds that convey a defeasible estate. Reversion  
8.10 of the estate occurs by operation of law and without the requirement for any affirmative  
8.11 act by or on behalf of the state when there is a failure to put the property to the approved  
8.12 authorized public use for which it was conveyed, or an abandonment of that use, except as  
8.13 provided in subdivision 1d.

8.14 **EFFECTIVE DATE.** This section is effective July 1, 2010.

8.15 Sec. 5. Minnesota Statutes 2008, section 282.01, subdivision 1d, is amended to read:

8.16 Subd. 1d. **Reverter for failure to use; conveyance to state.** (a) If after three years  
8.17 from the date of the conveyance a governmental subdivision to which tax-forfeited land  
8.18 has been conveyed for ~~a specified~~ an authorized public use as provided in ~~this section~~  
8.19 subdivision 1a, paragraph (e), fails to put the land to that use, or abandons that use, the  
8.20 governing body of the subdivision ~~may,~~ must: (1) with the approval of the county board,  
8.21 purchase the property for an authorized public purpose at the present ~~appraised~~ market  
8.22 value as determined by the county board. ~~In that case, the commissioner of revenue shall,~~  
8.23 upon proper written application approved by the county board, issue an appropriate deed  
8.24 to the subdivisions free of a use restriction and reverter. The governing body may also, or  
8.25 (2) authorize the proper officers to convey the land, or the part of the land not required for  
8.26 an authorized public use, to the state of Minnesota; in trust for the taxing districts. If the  
8.27 governing body purchases the property under clause (1), the commissioner of revenue  
8.28 shall, upon proper application submitted by the county auditor, convey the property on  
8.29 behalf of the state by quit claim deed to the subdivision free of a use restriction and the  
8.30 possibility of reversion or defeasement. If the governing body decides to reconvey the  
8.31 property to the state under this clause, the officers shall execute a deed of conveyance  
8.32 immediately. The conveyance is subject to the approval of the commissioner and its form  
8.33 must be approved by the attorney general. ~~A sale, lease, transfer, or other conveyance~~

9.1 ~~of tax-forfeited lands by a housing and redevelopment authority, a port authority, an~~  
9.2 ~~economic development authority, or a city as authorized by chapter 469 is not an~~  
9.3 ~~abandonment of use and the lands shall not be reconveyed to the state nor shall they~~  
9.4 ~~revert to the state. A certificate made by a housing and redevelopment authority, a port~~  
9.5 ~~authority, an economic development authority, or a city referring to a conveyance by it~~  
9.6 ~~and stating that the conveyance has been made as authorized by chapter 469 may be filed~~  
9.7 ~~with the county recorder or registrar of titles, and the rights of reverter in favor of the state~~  
9.8 ~~provided by subdivision 1e will then terminate. No vote of the people is required for the~~  
9.9 ~~conveyance. For the purposes of this paragraph, there is no failure to put the land to the~~  
9.10 authorized public use and no abandonment of that use if a formal plan of the governmental  
9.11 subdivision, including, but not limited to, a comprehensive plan or land use plan that  
9.12 shows an intended future use of the land for the authorized public use.

9.13 (b) Property held by a governmental subdivision of the state under a conditional use  
9.14 deed executed under subdivision 1a, paragraph (e), by the commissioner of revenue on or  
9.15 after January 1, 2007, may be acquired by that governmental subdivision after 15 years  
9.16 from the date of the conveyance if the commissioner determines upon written application  
9.17 from the subdivision that the subdivision has in fact put the property to the authorized  
9.18 public use for which it was conveyed, and the subdivision has made a finding that it  
9.19 has no current plans to change the use of the lands. Prior to conveying the property, the  
9.20 commissioner shall inquire whether the county board where the land is located objects to a  
9.21 conveyance of the property to the subdivision without conditions and without further act  
9.22 by or obligation of the subdivision. If the county does not object within 60 days, and the  
9.23 commissioner makes a favorable determination, the commissioner shall issue a quit claim  
9.24 deed on behalf of the state unconditionally conveying the property to the governmental  
9.25 subdivision. For purposes of this paragraph, demonstration of an intended future use  
9.26 for the authorized public use in a formal plan of the governmental subdivision does not  
9.27 constitute use for that authorized public use.

9.28 (c) Property held by a governmental subdivision of the state under a conditional  
9.29 use deed executed under subdivision 1a, paragraph (e), by the commissioner of revenue  
9.30 before January 1, 2007, is released from the use restriction and possibility of reversion on  
9.31 January 1, 2022, if the county board records a resolution describing the land and citing  
9.32 this paragraph. The county board may authorize the county treasurer to deduct the amount  
9.33 of the recording fees from future settlements of property taxes to the subdivision.

9.34 (d) All property conveyed under a conditional use deed executed under subdivision  
9.35 1a, paragraph (e), by the commissioner of revenue is released from the use restriction and  
9.36 reverter, and any use restriction or reverter for which no declaration of reversion has been

10.1 recorded with the county recorder or registrar of titles, as appropriate, is nullified on the  
10.2 later of: (1) January 1, 2015; (2) 30 years from the date the deed was acknowledged; or  
10.3 (3) final resolution of an appeal to district court under subdivision 1e, if a lis pendens  
10.4 related to the appeal is recorded in the office of the county recorder or registrar of titles,  
10.5 as appropriate, prior to January 1, 2015.

10.6 **EFFECTIVE DATE.** This section is effective July 1, 2010.

10.7 Sec. 6. Minnesota Statutes 2008, section 282.01, is amended by adding a subdivision  
10.8 to read:

10.9 Subd. 1g. **Conditional use deed fees.** (a) A governmental subdivision of the state  
10.10 applying for a conditional use deed under subdivision 1a, paragraph (e), must submit a fee  
10.11 of \$250 to the commissioner of revenue along with the application. If the application is  
10.12 denied, the commissioner shall refund \$150 of the application fee.

10.13 (b) The proceeds from the fees must be deposited in a Department of Revenue  
10.14 conditional use deed revolving fund. The sums deposited into the revolving fund are  
10.15 appropriated to the commissioner of revenue for the purpose of making the refunds  
10.16 described in this subdivision, and administering conditional use deed laws.

10.17 **EFFECTIVE DATE.** This section is effective for applications received by the  
10.18 commissioner after June 30, 2010.

10.19 Sec. 7. Minnesota Statutes 2008, section 282.01, is amended by adding a subdivision  
10.20 to read:

10.21 Subd. 1h. **Conveyance; form.** The instruments of conveyance executed and issued  
10.22 by the commissioner of revenue under subdivision 1a, paragraphs (c), (d), (e), (f), (g),  
10.23 and (h), and subdivision 1d, paragraph (b), must be on a form approved by the attorney  
10.24 general and are prima facie evidence of the facts stated therein and that the execution and  
10.25 issuance of the conveyance complies with the applicable laws.

10.26 **EFFECTIVE DATE.** This section is effective for deeds executed by the  
10.27 commissioner of revenue after June 30, 2010.

10.28 Sec. 8. Minnesota Statutes 2008, section 282.01, subdivision 2, is amended to read:

10.29 Subd. 2. **Conservation lands; county board supervision.** (a) Lands classified as  
10.30 conservation lands, ~~unless reclassified as nonconservation lands, sold to a governmental~~  
10.31 ~~subdivision of the state, designated as lands primarily suitable for forest production and~~  
10.32 ~~sold as hereinafter provided, or released from the trust in favor of the taxing districts, as~~

11.1 ~~herein provided, will~~ must be held under the supervision of the county board of the county  
11.2 within which ~~such~~ the parcels lie; ~~and must not be conveyed or sold unless the lands are:~~

11.3 ~~The county board may, by resolution duly adopted, declare lands classified as~~  
11.4 ~~conservation lands as primarily suitable for timber production and as lands which should~~  
11.5 ~~be placed in private ownership for such purposes. If such action be approved by the~~  
11.6 ~~commissioner of natural resources, the lands so designated, or any part thereof, may be~~  
11.7 ~~sold by the county board in the same manner as provided for the sale of lands classified as~~  
11.8 ~~nonconservation lands. Such county action and the approval of the commissioner shall be~~  
11.9 ~~limited to lands lying within areas zoned for restricted uses under the provisions of Laws~~  
11.10 ~~1939, chapter 340, or any amendments thereof.~~

11.11 (1) reclassified as nonconservation lands;

11.12 (2) conveyed to a governmental subdivision of the state under subdivision 1a;

11.13 (3) released from the trust in favor of the taxing districts as provided in paragraph

11.14 (b); or

11.15 (4) conveyed or sold under the authority of another general or special law.

11.16 (b) The county board may, by resolution duly adopted, resolve that certain lands  
11.17 classified as conservation lands shall be devoted to conservation uses and may submit  
11.18 ~~such~~ a resolution to the commissioner of natural resources. If, upon investigation,  
11.19 the commissioner of natural resources determines that the lands covered by ~~such~~ the  
11.20 resolution, or any part thereof, can be managed and developed for conservation purposes,  
11.21 the commissioner shall make a certificate describing the lands and reciting the acceptance  
11.22 thereof on behalf of the state ~~for such purposes~~. The commissioner shall transmit the  
11.23 certificate to the county auditor, who shall note the same upon the auditor's records and  
11.24 record the same with the county recorder. The title to all lands so accepted shall be held  
11.25 by the state free from any trust in favor of any and all taxing districts and ~~such~~ the lands  
11.26 shall be devoted thereafter to the purposes of forestry, water conservation, flood control,  
11.27 parks, game refuges, controlled game management areas, public shooting grounds, or  
11.28 other public recreational or conservation uses, and managed, controlled, and regulated  
11.29 ~~for such purposes~~ under the jurisdiction of the commissioner of natural resources and  
11.30 the divisions of the department.

11.31 (c) All proceeds derived from the sale of timber, lease of crops of hay, or other  
11.32 revenue from lands under the jurisdiction of the commissioner of natural resources shall  
11.33 be credited to the general fund of the state.

11.34 ~~In case~~ (d) If the commissioner of natural resources ~~shall determine~~ determines that  
11.35 any tract of land ~~so held~~ acquired by the state under paragraph (b) and situated within or  
11.36 adjacent to the boundaries of any governmental subdivision of the state is suitable for use

12.1 by ~~such~~ the subdivision for any authorized public purpose, the commissioner may convey  
12.2 ~~such~~ the tract by deed in the name of the state to ~~such~~ the subdivision upon the filing  
12.3 with the commissioner of a resolution adopted by a majority vote of all the members  
12.4 of the governing body thereof, stating the purpose for which the land is desired. The  
12.5 deed of conveyance shall be upon a form approved by the attorney general and must be  
12.6 conditioned upon continued use for the purpose stated in the resolution. ~~All proceeds~~  
12.7 ~~derived from the sale of timber, lease of hay stumpage, or other revenue from such~~  
12.8 ~~lands under the jurisdiction of the natural resources commissioner shall be paid into the~~  
12.9 ~~general fund of the state.~~

12.10 (e) The county auditor, with the approval of the county board, may lease conservation  
12.11 lands remaining under the ~~jurisdiction~~ supervision of the county board and sell timber  
12.12 and hay stumpage thereon in the manner hereinafter provided, and all proceeds derived  
12.13 therefrom shall be distributed in the same manner as provided in section 282.04.

12.14 **EFFECTIVE DATE.** This section is effective July 1, 2010.

12.15 Sec. 9. Minnesota Statutes 2008, section 282.01, subdivision 3, is amended to read:

12.16 Subd. 3. **Nonconservation lands; appraisal and sale.** (a) All parcels of land  
12.17 classified as nonconservation, except those which may be reserved, shall be sold as  
12.18 provided, if it is determined, by the county board of the county in which the parcels lie,  
12.19 that it is advisable to do so, having in mind their accessibility, their proximity to existing  
12.20 public improvements, and the effect of their sale and occupancy on the public burdens.  
12.21 Any parcels of land proposed to be sold shall be first appraised by the county board of  
12.22 the county in which the parcels lie. The parcels may be reappraised whenever the county  
12.23 board deems it necessary to carry out the intent of sections 282.01 to 282.13.

12.24 (b) In an appraisal the value of the land and any standing timber on it shall be  
12.25 separately determined. No parcel of land containing any standing timber may be sold until  
12.26 the appraised value of the timber on it and the sale of the land have been approved by the  
12.27 commissioner of natural resources. The commissioner shall base review of a proposed  
12.28 sale on the policy and considerations specified in subdivision 1. The decision of the  
12.29 commissioner shall be in writing and shall state the reasons for it. The commissioner's  
12.30 decision is exempt from the rulemaking provisions of chapter 14 and section 14.386  
12.31 does not apply. The county may appeal the decision of the commissioner in accordance  
12.32 with chapter 14.

12.33 (c) In any county in which a state forest or any part of it is located, the county  
12.34 auditor shall submit to the commissioner at least 60 days before the first publication of the  
12.35 list of lands to be offered for sale a list of all lands included on the list which are situated

13.1 outside of any incorporated municipality. If, at any time before the opening of the sale, the  
13.2 commissioner notifies the county auditor in writing that there is standing timber on any  
13.3 parcel of ~~such~~ land, the parcel shall not be sold unless the requirements of this section  
13.4 respecting the separate appraisal of the timber and the approval of the appraisal by the  
13.5 commissioner have been complied with. The commissioner may waive the requirement  
13.6 of the 60-day notice as to any parcel of land which has been examined and the timber  
13.7 value approved as required by this section.

13.8 (d) If any public improvement is made by a municipality after any parcel of land has  
13.9 been forfeited to the state for the nonpayment of taxes, and the improvement is assessed in  
13.10 whole or in part against the property benefited by it, the clerk of the municipality shall  
13.11 certify to the county auditor, immediately upon the determination of the assessments for  
13.12 the improvement, the total amount that would have been assessed against the parcel of land  
13.13 if it had been subject to assessment; or if the public improvement is made, petitioned for,  
13.14 ordered in or assessed, whether the improvement is completed in whole or in part, at any  
13.15 time between the appraisal and the sale of the parcel of land, the cost of the improvement  
13.16 shall be included as a separate item and added to the appraised value of the parcel of land  
13.17 at the time it is sold. No sale of a parcel of land shall discharge or free the parcel of land  
13.18 from lien for the special benefit conferred upon it by reason of the public improvement  
13.19 until the cost of it, including penalties, if any, is paid. The county board shall determine  
13.20 the amount, if any, by which the value of the parcel was enhanced by the improvement and  
13.21 include the amount as a separate item in fixing the appraised value for the purpose of sale.  
13.22 ~~In classifying, appraising, and selling the lands, the county board may designate the tracts~~  
13.23 ~~as assessed and acquired, or may by resolution provide for the subdivision of the tracts into~~  
13.24 ~~smaller units or for the grouping of several tracts into one tract when the subdivision or~~  
13.25 ~~grouping is deemed advantageous for the purpose of sale. Each such smaller tract or larger~~  
13.26 ~~tract must be classified and appraised as such before being offered for sale. If any such~~  
13.27 ~~lands have once been classified, the board of county commissioners, in its discretion, may,~~  
13.28 ~~by resolution, authorize the sale of the smaller tract or larger tract without reclassification.~~

13.29 **EFFECTIVE DATE.** This section is effective July 1, 2010.

13.30 Sec. 10. Minnesota Statutes 2008, section 282.01, subdivision 4, is amended to read:

13.31 Subd. 4. **Sale: method, requirements, effects.** The sale authorized under  
13.32 subdivision 3 must be conducted by the county auditor at the county seat of the county in  
13.33 which the parcels lie, except that in St. Louis and Koochiching Counties, the sale may  
13.34 be conducted in any county facility within the county. The sale must not be for less than  
13.35 the appraised value except as provided in subdivision 7a. The parcels must be sold for

14.1 cash only ~~and at not less than the appraised value~~, unless the county board of the county  
14.2 has adopted a resolution providing for their sale on terms, in which event the resolution  
14.3 controls with respect to the sale. When the sale is made on terms other than for cash only  
14.4 (1) a payment of at least ten percent of the purchase price must be made at the time of  
14.5 purchase, and the balance must be paid in no more than ten equal annual installments, or  
14.6 (2) the payments must be made in accordance with county board policy, but in no event  
14.7 may the board require more than 12 installments annually, and the contract term must not  
14.8 be for more than ten years. Standing timber or timber products must not be removed from  
14.9 these lands until an amount equal to the appraised value of all standing timber or timber  
14.10 products on the lands at the time of purchase has been paid by the purchaser. If a parcel of  
14.11 land bearing standing timber or timber products is sold at public auction for more than  
14.12 the appraised value, the amount bid in excess of the appraised value must be allocated  
14.13 between the land and the timber in proportion to their respective appraised values. In that  
14.14 case, standing timber or timber products must not be removed from the land until the  
14.15 amount of the excess bid allocated to timber or timber products has been paid in addition  
14.16 to the appraised value of the land. The purchaser is entitled to immediate possession,  
14.17 subject to the provisions of any existing valid lease made in behalf of the state.

14.18 For sales occurring on or after July 1, 1982, the unpaid balance of the purchase price  
14.19 is subject to interest at the rate determined pursuant to section 549.09. The unpaid balance  
14.20 of the purchase price for sales occurring after December 31, 1990, is subject to interest  
14.21 at the rate determined in section 279.03, subdivision 1a. The interest rate is subject to  
14.22 change each year on the unpaid balance in the manner provided for rate changes in section  
14.23 549.09 or 279.03, subdivision 1a, whichever, is applicable. Interest on the unpaid contract  
14.24 balance on sales occurring before July 1, 1982, is payable at the rate applicable to the sale  
14.25 at the time that the sale occurred.

14.26 **EFFECTIVE DATE.** This section is effective July 1, 2010.

14.27 Sec. 11. Minnesota Statutes 2008, section 282.01, subdivision 7, is amended to read:

14.28 Subd. 7. **County sales; notice, purchase price, disposition.** The sale must  
14.29 commence at the time determined by the county board of the county in which the parcels  
14.30 are located. The county auditor shall offer the parcels of land in order in which they  
14.31 appear in the notice of sale, and shall sell them to the highest bidder, but not for a sum  
14.32 less than the appraised value, until all of the parcels of land have been offered. Then the  
14.33 county auditor shall sell any remaining parcels to anyone offering to pay the appraised  
14.34 value, except that if the person could have repurchased a parcel of property under section  
14.35 282.012 or 282.241, that person may not purchase that same parcel of property at the sale

15.1 under this subdivision for a purchase price less than the sum of all taxes, assessments,  
15.2 penalties, interest, and costs due at the time of forfeiture computed under section 282.251,  
15.3 and any special assessments for improvements certified as of the date of sale. The sale  
15.4 must continue until all the parcels are sold or until the county board orders a reappraisal or  
15.5 withdraws any or all of the parcels from sale. The list of lands may be added to and the  
15.6 added lands may be sold at any time by publishing the descriptions and appraised values.  
15.7 The added lands must be: (1) parcels of land that have become forfeited and classified  
15.8 as nonconservation since the commencement of any prior sale; (2) parcels classified as  
15.9 nonconservation that have been reappraised; (3) parcels that have been reclassified as  
15.10 nonconservation; or (4) other parcels that are subject to sale but were omitted from the  
15.11 existing list for any reason. The descriptions and appraised values must be published in  
15.12 the same manner as provided for the publication of the original list. Parcels added to the  
15.13 list must first be offered for sale to the highest bidder before they are sold at appraised  
15.14 value. All parcels of land not offered for immediate sale, as well as parcels that are offered  
15.15 and not immediately sold, continue to be held in trust by the state for the taxing districts  
15.16 interested in each of the parcels, under the supervision of the county board. Those parcels  
15.17 may be used for public purposes until sold, as directed by the county board.

15.18 **EFFECTIVE DATE.** This section is effective July 1, 2010.

15.19 Sec. 12. Minnesota Statutes 2008, section 282.01, subdivision 7a, is amended to read:

15.20 Subd. 7a. **City sales; alternate procedures.** Land located in a home rule charter  
15.21 or statutory city, or in a town which cannot be improved because of noncompliance with  
15.22 local ordinances regarding minimum area, shape, frontage or access may be sold by the  
15.23 county auditor pursuant to this subdivision if the auditor determines that a nonpublic sale  
15.24 will encourage the approval of sale of the land by the city or town and promote its return  
15.25 to the tax rolls. If the physical characteristics of the land indicate that its highest and best  
15.26 use will be achieved by combining it with an adjoining parcel and the city or town has not  
15.27 adopted a local ordinance governing minimum area, shape, frontage, or access, the land  
15.28 may also be sold pursuant to this subdivision. If the property consists of an undivided  
15.29 interest in land or land and improvements, the property may also be sold to the other  
15.30 owners under this subdivision. The sale of land pursuant to this subdivision shall be  
15.31 subject to any conditions imposed by the county board pursuant to section 282.03. The  
15.32 governing body of the city or town may recommend to the county board conditions to be  
15.33 imposed on the sale. The county auditor may restrict the sale to owners of lands adjoining  
15.34 the land to be sold. The county auditor shall conduct the sale by sealed bid or may select  
15.35 another means of sale. The land shall be sold to the highest bidder ~~but in no event shall the~~

16.1 ~~land~~ and may be sold for less than its appraised value. All owners of land adjoining the  
16.2 land to be sold shall be given a written notice at least 30 days prior to the sale.

16.3 This subdivision shall be liberally construed to encourage the sale and utilization  
16.4 of tax-forfeited land, to eliminate nuisances and dangerous conditions and to increase  
16.5 compliance with land use ordinances.

16.6 **EFFECTIVE DATE.** This section is effective July 1, 2010.

16.7 Sec. 13. Minnesota Statutes 2008, section 282.01, is amended by adding a subdivision  
16.8 to read:

16.9 **Subd. 12. Notice; public hearing for use change.** If a governmental subdivision  
16.10 that acquired a parcel for public use under this section later determines to change the use,  
16.11 it must hold a public hearing on the proposed use change. The governmental subdivision  
16.12 must mail written notice of the proposed use change and the public hearing to each owner  
16.13 of property that is within 400 feet of the parcel at least ten days and no more than 60 days  
16.14 before it holds the hearing. The notice must identify: (1) the parcel, (2) its current use,  
16.15 (3) the proposed use, (4) the date, time, and place of the public hearing, and (5) where  
16.16 to submit written comments on the proposal and that the public is invited to testify at  
16.17 the public hearing.

16.18 **EFFECTIVE DATE.** This section is effective July 1, 2010, and applies to a change  
16.19 in use of a parcel acquired under Minnesota Statutes, section 282.01, whether acquired by  
16.20 the governmental subdivision before or after the effective date of this section.

16.21 Sec. 14. **REPEALER.**

16.22 Minnesota Statutes 2008, sections 282.01, subdivisions 9, 10, and 11; and 383A.76,  
16.23 are repealed.

16.24 **EFFECTIVE DATE.** This section is effective July 1, 2010.