

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 3315

(SENATE AUTHORS: LIMMER)

DATE
05/01/2023

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; tax-forfeited land sales; requiring payment to former owner
1.3 of any remaining balance after sale of tax-forfeited property and payment of
1.4 canceled taxes; amending Minnesota Statutes 2022, sections 282.05; 282.08.

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

1.6 Section 1. Minnesota Statutes 2022, section 282.05, is amended to read:

1.7 **282.05 PROCEEDS APPORTIONED.**

1.8 The net proceeds received from the sale or rental of forfeited lands shall be apportioned
1.9 ~~to the general funds of the state or municipal subdivision thereof,~~ in the manner provided
1.10 in section 282.08.

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

1.12 Sec. 2. Minnesota Statutes 2022, section 282.08, is amended to read:

1.13 **282.08 APPORTIONMENT OF PROCEEDS TO TAXING DISTRICTS.**

1.14 The net proceeds from the sale or rental of any parcel of forfeited land, or from the sale
1.15 of products from the forfeited land, must be apportioned by the county auditor to the taxing
1.16 districts interested in the land, and the owner of the parcel at the time the property was
1.17 forfeited to the state, as follows:

1.18 (1) the portion required to pay any amounts included in the appraised value under section
1.19 282.01, subdivision 3, as representing increased value due to any public improvement made
1.20 after forfeiture of the parcel to the state, but not exceeding the amount certified by the

2.1 appropriate governmental authority must be apportioned to the governmental subdivision
2.2 entitled to it;

2.3 (2) the portion required to pay any amount included in the appraised value under section
2.4 282.019, subdivision 5, representing increased value due to response actions taken after
2.5 forfeiture of the parcel to the state, but not exceeding the amount of expenses certified by
2.6 the Pollution Control Agency or the commissioner of agriculture, must be apportioned to
2.7 the agency or the commissioner of agriculture and deposited in the fund from which the
2.8 expenses were paid;

2.9 ~~(3) the portion of the remainder required to discharge any special assessment chargeable
2.10 against the parcel for drainage or other purpose whether due or deferred at the time of
2.11 forfeiture, must be apportioned to the governmental subdivision entitled to it; and~~

2.12 ~~(4) any balance must be apportioned as follows:~~

2.13 ~~(i) The county board may annually by resolution set aside no more than 30 percent of
2.14 the receipts remaining to be used for forest development on tax-forfeited land and dedicated
2.15 memorial forests, to be expended under the supervision of the county board. It must be
2.16 expended only on projects improving the health and management of the forest resource.~~

2.17 ~~(ii) The county board may annually by resolution set aside no more than 20 percent of
2.18 the receipts remaining to be used for the acquisition and maintenance of county parks or
2.19 recreational areas as defined in sections 398.31 to 398.36, to be expended under the
2.20 supervision of the county board.~~

2.21 ~~(iii) Any balance remaining must be apportioned as follows: county, 40 percent; town
2.22 or city, 20 percent; and school district, 40 percent, provided, however, that in unorganized
2.23 territory that portion which would have accrued to the township must be administered by
2.24 the county board of commissioners.~~

2.25 (3) the portion required to pay each taxing jurisdiction the amount of taxes that were
2.26 canceled at the time of forfeiture of the property; and

2.27 (4) any balance must be returned to the owner of the parcel at the time the property was
2.28 forfeited to the state.

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