

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

**S.F. No. 2926**

(SENATE AUTHORS: MCEWEN and Hauschild)

DATE  
03/15/2023

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1795 Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to taxation; modifying the Sustainable Forest Incentive Act; allowing  
1.3 claimants to lengthen the covenant; modifying provisions related to the death of  
1.4 a claimant; amending Minnesota Statutes 2022, sections 290C.055; 290C.12.

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

1.6 Section 1. Minnesota Statutes 2022, section 290C.055, is amended to read:

1.7 **290C.055 LENGTH OF COVENANT.**

1.8 (a) Claimants enrolling any land that is subject to a conservation easement funded under  
1.9 section 97A.056 or a comparable permanent easement conveyed to a governmental or  
1.10 nonprofit entity must enroll their land under a covenant with a minimum duration of eight  
1.11 years. All other claimants may choose to enroll their land under a covenant with a minimum  
1.12 duration of eight, 20, or 50 years. If the claimant requests removal of land from the program  
1.13 before it has been enrolled for one-half the number of years of the covenant's duration, the  
1.14 covenant remains in effect for the entire duration of the covenant from the date recorded.

1.15 (b) If land that has been enrolled for one-half the number of years of the covenant's  
1.16 minimum duration or more is removed from the program for any reason, there is a waiting  
1.17 period before the covenant terminates. The covenant terminates on January 1 of the fifth,  
1.18 11th, or 26th calendar year for the eight-, 20-, or 50-year minimum covenant, respectively,  
1.19 that begins after the date that:

1.20 (1) the commissioner receives notification from the claimant that the claimant wishes  
1.21 to remove the land from the program under section 290C.10; or

1.22 (2) the date that the land is removed from the program under section 290C.11.

2.1 (c) Notwithstanding the other provisions of this section, the covenant is terminated:

2.2 (1) at the same time that the land is removed from the program due to acquisition of title  
2.3 or possession for a public purpose under section 290C.10; or

2.4 (2) at the request of the claimant (i) if there is a reduction in payments due to changes  
2.5 in the payment formula under section 290C.07; or (ii) if, as a result of executive action, the  
2.6 amount of payment a claimant is eligible to receive under section 290C.07 is reduced or  
2.7 limited.

2.8 (d) A claimant may elect to change the length of a covenant to a longer-term covenant  
2.9 without penalty by providing notice to the commissioner of intent to change the length of  
2.10 the covenant.

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

2.12 Sec. 2. Minnesota Statutes 2022, section 290C.12, is amended to read:

2.13 **290C.12 DEATH OF CLAIMANT.**

2.14 (a) Within one year after the death of the claimant, the claimant's heir, devisee, or estate  
2.15 must either:

2.16 (1) notify the commissioner of election to terminate enrollment in the sustainable forest  
2.17 incentive program; or

2.18 (2) make an application under this chapter to continue enrollment of the land in the  
2.19 program.

2.20 (b) Upon notification under paragraph (a), clause (1), the heir, devisee, or estate is liable  
2.21 for payment to the commissioner as provided in paragraph (e). Upon payment, the  
2.22 commissioner shall terminate the enrollment and issue a document releasing the land from  
2.23 the covenant as provided in section 290C.04, paragraph (d). ~~Penalties under section 290C.11~~  
2.24 shall not apply.

2.25 (c) If the commissioner approves the application under paragraph (a), clause (2) is  
2.26 approved, the land is enrolled in the program without a break. The commissioner shall  
2.27 inform the heir, devisee, or estate of the restrictions of the covenant required by section  
2.28 290C.04 and the withdrawal procedures under section 290C.10. In order for an heir, devisee,  
2.29 or estate to continue to receive payments pursuant to this chapter, the heir, devisee, or estate  
2.30 must file an application and register a new forest management plan with the commissioner  
2.31 of natural resources within two years from the date of the death of the claimant to remain  
2.32 eligible.

3.1 (d) If the commissioner does not receive notification under paragraph (a) within one  
3.2 year after the date of death, enrollment in the program shall be terminated and penalties  
3.3 under section 290C.11 shall not apply and does not receive the return of the certification  
3.4 form as required by section 290C.05, then the commissioner shall terminate the enrollment  
3.5 and the estate of the claimant is liable for payment to the commissioner as provided in  
3.6 paragraph (e).

3.7 (e) The payment required under paragraph (b) or (d) equals the amount of payments  
3.8 issued related to the enrolled tax parcel under this chapter for the number of years the land  
3.9 has been bound by the covenant, or one-half the covenant length, whichever is less, plus  
3.10 interest. The heir, devisee, or estate has 90 days to satisfy the payment for removal of land  
3.11 from the sustainable forest incentive program under this section. If the payment is not made  
3.12 within 90 days, the commissioner shall certify the amount to the county auditor for collection  
3.13 as part of the general ad valorem real property taxes on the land in the following taxes  
3.14 payable year.

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