

CHAPTER 180—S.F.No. 1572

An act relating to natural resources; modifying provisions for the exchange or sale of leased lakeshore lots; amending Laws 1998, chapter 389, article 16, section 31, subdivisions 2, 3, and 4.

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

Section 1. Laws 1998, chapter 389, article 16, section 31, subdivision 2, is amended to read:

Subd. 2. **EXCHANGE OF COUNTY LAKESHORE LAND FOR LEASED LAKESHORE LOTS.** (a) For the purposes of this section:

(1) "county land" includes, but is not limited to, tax-forfeited land administered by any county; and

(2) "leased lakeshore lots" means lands leased by the state, including lots for which leases have been canceled, pursuant to Minnesota Statutes, section 92.46, subdivision 1; and

(3) "plan for exchange" means a listing of parcels proposed for exchange with legal descriptions, county estimates of values, and maps and acreage for each parcel. By July 1, 1999, counties shall include exchange plans for all lakeshore lease lots that are in substantial compliance with official controls. The plan shall also include a timeline that provides for the completion of the exchange of all remaining lakeshore lease lots by December 31, 2000.

(b) By June July 1, 1999, a county board with leased lakeshore lots must petition the land exchange board with a plan for an exchange of county land for leased lakeshore lots in the county that are not listed by the commissioner pursuant to subdivision 1. Notwithstanding Minnesota Statutes, section 94.342, the land proposed for the exchange must be land bordering on or adjacent to meandered or other public waters. A county board proposing an exchange under this section may include tax-forfeited land administered by another county in the proposal with the consent of that county board.

(c) In determining the value of the leased lakeshore lots for purposes of the exchange, the land exchange board must review an appraisal of each lot prepared by an appraiser licensed by the commissioner of commerce. The selection of the appraiser must be agreed to by the commissioner of natural resources and the county board of the county containing the leased lakeshore lot. The commissioner of natural resources must pay the costs of appraisal and may recover these costs as provided in this section. The commissioner must submit appraisals under this paragraph to the land exchange board by June 1, 1999.

(d) The land exchange board must determine whether the land offered for exchange by a county under this section is lakeshore of substantially equal value to the leased lakeshore lots included in the county's petition. In making this determination, the land exchange board must review an appraisal of the land offered for exchange prepared by an appraiser licensed by the commissioner of commerce. The selection of the appraiser must be agreed to by the commissioner of natural resources and the county board of the county containing the leased lakeshore lots. The county must pay the costs of this appraisal and may recover those costs as provided in this section.

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(e) Before the proposed exchange may be submitted to the land exchange board, the commissioner of natural resources must ensure that, whenever possible, state lands are added to the leased lakeshore lots when necessary to provide conformance with zoning requirements official controls. The lands added to the leased lakeshore lots must be included in the appraised value of the lots. If the commissioner is unable to add the necessary land to a lot, the lot shall be treated as if purchased at the time the state first leased the site, for the purposes of local zoning and other ordinances at the time of sale of the lot by the county.

(f) Additional state or county lands, including state riparian land leased for a commercial use, may be added to the exchanges if mutually agreed upon by the commissioner and the affected county board to meet county zoning standards or other regulatory needs for the lots, for use of the land by the county or state, or to avoid leaving unmanageable parcels of land in state or county ownership after an exchange, or to dispose of state commercial riparian leases. The additional county land may include nonriparian land, if the land is adjacent to county land exchanged under this section and is beneficial to or enhances the value of the school trust land. Notwithstanding Minnesota Statutes, chapter 282, or any other law to the contrary, a county board may sell all or part of any additional land to an owner of a lakeshore lot sold by the county under this section, or sold by the state at a lakeshore lot sale, or to the lessee of a commercial lease.

(g) In the event that commercial leased state land is proposed for exchange, the state and county must submit to the land exchange board prior to exchanges, without regard to the dates provided in this section, the reports, appraisals, and plan for exchange required by this section. The county is not required to sell the commercially leased lands it receives from the state within the times stated in this section.

(h) The land exchange board must determine whether the lots are of substantially equal value and may approve the exchange, notwithstanding the requirements of Minnesota Statutes, sections 94.342 to 94.347, relating to the approval process. If the board approves the exchange, the commissioner must exchange the leased lakeshore lots for the county lands, together with any additional state land provided for under this section, subject to the requirements of the Minnesota Constitution, article XI, section 10, relating to the reservation of mineral and water power rights.

(i) The deeds between the state and counties for land exchanges under this section are exempt from the deed tax imposed by Minnesota Statutes, section 287.21.

Sec. 2. Laws 1998, chapter 389, article 16, section 31, subdivision 3, is amended to read:

Subd. 3. **COUNTY SALE.** Notwithstanding Minnesota Statutes, section 282.018, or any other law to the contrary, a county board must offer land that it has acquired through an exchange under this section for sale to the lessee of the land within 90 days from the date of acquisition for the value of the land as determined by the county board. The county board may include the cost of appraisal of the county land, abstract, and survey for the purposes of this section in the value of the land. If the lessee does not elect to purchase the land within 90 days from the date of the offer by the county, the county board may shall sell the land by public sale at the expiration of the lease term no later than four years from the date the county acquires the land through an exchange under this section for no less than the value of the land as determined by the county board, including the cost

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of appraisal required by this section, any survey or abstract costs, and the value of improvements to the land. The county may sell the land with a directed sale to adjacent land-owners within four years from the date of acquisition, if the lessee does not elect to purchase the lot within the 90-day period and if the county board determines that a lot cannot be brought into substantial compliance with official controls absent such a sale. The county board must reimburse the lessee for the value of the improvements to the land and the county may retain a sum from the proceeds of the sale equivalent to the cost of appraisal, abstract, and survey. The county board must reimburse the commissioner of natural resources for the costs of appraisal under subdivision 2, paragraph (c), survey, and abstract from the proceeds of the sale.

Scheduled lease rate increases shall be suspended for lots when the county certifies that the lessee has elected to purchase the lot within 90 days from the date of the offer by the county.

Sec 3. Laws 1998, chapter 389, article 16, section 31, subdivision 4, is amended to read:

Subd. 4. **COUNTY ENVIRONMENTAL TRUST FUND.** Notwithstanding the provisions of Minnesota Statutes, chapter 282, and any other law relating to the apportionment of proceeds from the sale of tax-forfeited land, and except as otherwise provided in this section, a county board must deposit the money received from the sale of land under subdivision 3 into an environmental trust fund established by the county under this subdivision. If the proceeds from the sale of tax-forfeited land in a county is \$250,000 or more, the principal from the sale of the land may not be expended, and the county board may spend interest earned on the principal only for purposes related to the improvement of natural resources. To the extent money received from the sale is attributable to tax-forfeited land from another county, the money must be deposited in an environmental trust fund established under this section by that county board.

Presented to the governor May 15, 1999

Signed by the governor May 19, 1999, 4:14 p.m.

CHAPTER 181—S.F.No. 841

An act relating to insurance; providing an alternative benefit plan for small employers; authorizing a small employer alternative benefit plan pilot project; modifying certain health plan company requirements; amending Minnesota Statutes 1998, sections 62L.02, subdivision 16; 62L.05, subdivision 5, and by adding a subdivision; 62Q.095, subdivision 1; and 62Q.51, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62L.

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

Section 1. Minnesota Statutes 1998, section 62L.02, subdivision 16, is amended to read:

Subd. 16. **HEALTH CARRIER.** "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insur-

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