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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2207

02/13/2012 Authored by McFarlane, Dittrich, McNamara and Downey

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance

1.1 A bill for an act  
1.2 relating to state lands; providing for expedited exchange, condemnation, and  
1.3 private sale of certain state land in Boundary Waters Canoe Area Wilderness;  
1.4 appropriating money; proposing coding for new law in Minnesota Statutes,  
1.5 chapter 92.

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

1.7 Section 1. [92.80] EXPEDITED EXCHANGE OF LAND WITHIN BOUNDARY  
1.8 WATERS CANOE AREA WILDERNESS FOR FEDERALLY OWNED LANDS.

1.9 Subdivision 1. Purpose and scope. (a) The purpose of this section is to expedite  
1.10 the exchange of a portion of the state-owned lands located within the Boundary Waters  
1.11 Canoe Area Wilderness. The state owns 116,559 acres of land within the wilderness area,  
1.12 86,295 acres of which are school trust land.

1.13 (b) Exchange of school trust lands within the Boundary Waters Canoe Area  
1.14 Wilderness for federally owned lands located outside the wilderness area will preserve the  
1.15 spectacular wild areas while producing economic benefits for Minnesota's public schools.

1.16 (c) For land exchanges under this section, sections 94.342 to 94.347 apply only to  
1.17 the extent specified in this section.

1.18 Subd. 2. Classes of land; definitions. The classes of state land that may be involved  
1.19 in an expedited exchange under this section are:

- 1.20 (1) school trust land as defined in section 92.025;
- 1.21 (2) university land granted to the state by acts of Congress;
- 1.22 (3) all other lands acquired by the state in any manner and under the control of  
1.23 the commissioner of natural resources; and

2.1 (4) all lands acquired by the state through tax forfeiture, held subject to a trust in  
2.2 favor of the taxing districts, and under the control of county authorities for classification,  
2.3 appraisal, and sale.

2.4 Subd. 3. **Valuation of land.** (a) In an exchange of school trust land, university land,  
2.5 or other land under the control of the commissioner of natural resources for land owned  
2.6 by the United States, the examination and value determination of the land shall be done  
2.7 in a manner as agreed to between the commissioner and the authorized representative of  
2.8 the United States.

2.9 (b) In an exchange of tax-forfeited land for land owned by the United States, the  
2.10 examination and value determination shall be done in a manner as agreed to between the  
2.11 county board and the authorized representative of the United States.

2.12 (c) All lands exchanged under this section shall be exchanged only for lands of  
2.13 at least substantially equal value. For the purposes of this subdivision, "substantially  
2.14 equal value" has the meaning given under section 94.343, subdivision 3, paragraph (b).  
2.15 No payment is due either party if the lands are of substantially equal value but are not  
2.16 of the same value.

2.17 Subd. 4. **Title.** Title to the land must be examined to the extent necessary for the  
2.18 parties to determine that the title is good, with any encumbrances identified. The parties to  
2.19 the exchange may use title insurance to aid in the determination.

2.20 Subd. 5. **Approval by Land Exchange Board.** In accordance with the Minnesota  
2.21 Constitution, article XI, section 10, all expedited land exchanges under this section require  
2.22 the unanimous approval of the Land Exchange Board.

2.23 Subd. 6. **Conveyance.** (a) Conveyance of school trust land, university land, or other  
2.24 land under the control of the commissioner of natural resources shall be made by deed  
2.25 executed by the commissioner in the name of the state. Conveyance of tax-forfeited land  
2.26 shall be by a deed executed by the commissioner of revenue in the name of the state.

2.27 (b) School trust land, university land, and other land under the control of the  
2.28 commissioner of natural resources and given in exchange is subject to reservations under  
2.29 section 94.343, subdivision 4, and the Minnesota Constitution, article XI, section 10.  
2.30 Tax-forfeited land given in exchange is subject to reservations under section 94.344,  
2.31 subdivision 4, and the Minnesota Constitution, article XI, section 10.

2.32 (c) All deeds shall be recorded or registered in the county in which the lands lie.

2.33 Subd. 7. **Land status.** Land received in exchange for school trust land, university  
2.34 land, or other land under the control of the commissioner of natural resources is subject to  
2.35 the same trust, if any, and otherwise has the same status as the land given in exchange.

3.1 Land received in exchange for tax-forfeited land is subject to a trust in favor of the  
3.2 governmental subdivision in which it lies and all laws relating to tax-forfeited land.

3.3 **Sec. 2. [92.81] CONDEMNATION OF SCHOOL TRUST LAND.**

3.4 Subdivision 1. **Purpose and scope.** (a) The purpose of this section is to facilitate  
3.5 conveyance of a portion of the school trust lands located within the Boundary Waters  
3.6 Canoe Area Wilderness to the United States. The state owns 86,295 acres of school trust  
3.7 land within the wilderness area.

3.8 (b) Conveyance of school trust lands within the Boundary Waters Canoe Area  
3.9 Wilderness to the United States will preserve the spectacular wild areas while producing  
3.10 economic benefits for Minnesota's public schools.

3.11 (c) As the Minnesota Constitution, article XI, section 8, limits the sale of school trust  
3.12 lands to a public sale, it is necessary to first extinguish the school trust interest through  
3.13 condemnation prior to a private sale of the lands to the United States.

3.14 (d) For purposes of this section, "school trust land" has the meaning given under  
3.15 section 92.025.

3.16 Subd. 2. **Identification of school trust lands.** The commissioner of natural  
3.17 resources shall identify which of the school trust lands located within the Boundary  
3.18 Waters Canoe Area Wilderness shall be conveyed to the United States through sale rather  
3.19 than land exchange.

3.20 Subd. 3. **Commencement of condemnation proceedings.** When the commissioner  
3.21 of natural resources has reached agreement with the United States on the sale of  
3.22 state-owned land within the wilderness area, the commissioner shall proceed to extinguish  
3.23 the school trust interest by condemnation action. When requested by the commissioner,  
3.24 the attorney general shall commence condemnation of the identified school trust lands.

3.25 Subd. 4. **Valuation.** Notwithstanding section 117.036, an appraisal of the land is  
3.26 not required, and the examination and value determination of the school trust land shall  
3.27 be done in a manner as agreed to between the commissioner of natural resources and the  
3.28 authorized representative of the United States.

3.29 Subd. 5. **Payment.** (a) Notwithstanding section 117.195, the final payment of all  
3.30 awards or judgments is not due until the United States has tendered payment for the sale  
3.31 of the lands according to section 92.82. Notwithstanding section 117.195, the payment of  
3.32 the award is not subject to interest from the date of filing of the commissioner's report.

3.33 (b) That portion of the payment of the award and judgment that is for the value of the  
3.34 land shall be deposited into the permanent school fund. The remainder of the award and

4.1 judgment payment shall first be remitted for reimbursement to the accounts from which  
 4.2 expenses were paid, with any remainder deposited into the permanent school fund.

4.3       Sec. 3. **[92.82] PRIVATE SALE OF SURPLUS STATE LAND WITHIN**  
 4.4 **BOUNDARY WATERS CANOE AREA WILDERNESS; COOK, LAKE, AND ST.**  
 4.5 **LOUIS COUNTIES.**

4.6       (a) Notwithstanding sections 92.06, 92.13, 92.14, 92.45, 94.09, and 94.10, the  
 4.7 commissioner of natural resources may sell to the United States by private sale the surplus  
 4.8 land, including the land bordering public water, that is described in paragraph (d).

4.9       (b) The conveyance must be in a form approved by the attorney general. The  
 4.10 attorney general may make necessary changes to the legal description to correct errors  
 4.11 and ensure accuracy.

4.12       (c) Notwithstanding sections 92.115, 92.12, and 94.10, an appraisal of the lands is  
 4.13 not required, and the value of the lands shall be determined in the same manner as the  
 4.14 exchange with the United States of other state-owned lands within the Boundary Waters  
 4.15 Canoe Area Wilderness.

4.16       (d) The land that may be sold is state-owned land under the control of the  
 4.17 commissioner of natural resources and located within the boundary of the Boundary  
 4.18 Waters Canoe Area Wilderness in Cook, Lake, and St. Louis Counties. The state-owned  
 4.19 lands may include the state land for which the school trust interest was extinguished  
 4.20 through condemnation under section 92.81, university lands granted to the state by acts of  
 4.21 Congress, and all other lands acquired by the state in any manner and under the control  
 4.22 of the commissioner of natural resources.

4.23       (e) Conveyance of state lands within the Boundary Waters Canoe Area Wilderness  
 4.24 to the United States will preserve the spectacular wild areas while producing economic  
 4.25 benefits for the state.

4.26       (f) Payment for state lands for which the school trust interest was extinguished  
 4.27 through condemnation shall be used to pay the award under the condemnation action.

4.28       Sec. 4. **APPROPRIATION.**

4.29       \$..... is appropriated from the general fund in fiscal year 2013 to the commissioner  
 4.30 of natural resources for purposes of paying expenses for the exchange, condemnation,  
 4.31 and sale of state-owned land under the control of the commissioner of natural resources  
 4.32 and located within the Boundary Waters Canoe Area Wilderness, according to Minnesota  
 4.33 Statutes, sections 92.80 to 92.82. Notwithstanding Minnesota Statutes, section 16A.28,  
 4.34 the appropriation does not cancel to the general fund until completion of the exchange and

- 5.1 sale of all state-owned lands under control of the commissioner of natural resources to the
- 5.2 United States, or June 30, 2015, whichever occurs first.