

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 25

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DATE	D-PG	OFFICIAL STATUS
01/13/2011	48	Introduction and first reading Referred to Environment and Natural Resources

1.1 A bill for an act
1.2 relating to state lands; creating a pilot land exchange process for tax-forfeited
1.3 lands in Itasca County.

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

1.5 Section 1. PILOT TAX-FORFEITED LAND EXCHANGE PROCESS; ITASCA
1.6 COUNTY.

1.7 Subdivision 1. Purpose and scope. Until December 31, 2016, this section applies to
1.8 exchanges of tax-forfeited land in Itasca County. Notwithstanding Minnesota Statutes,
1.9 sections 94.342 to 94.3495, exchanges of tax-forfeited land in Itasca County shall be
1.10 conducted as provided in this section.

1.11 Subd. 2. Valuation of land. (a) The value of all land shall be determined by the
1.12 Itasca County Board. To determine the value of the land, the parties to the exchange may
1.13 cause the land to be appraised, utilize the valuation process provided under Minnesota
1.14 Statutes, section 84.0272, subdivision 3, or obtain a market analysis from a qualified
1.15 real estate broker. Merchantable timber value must be determined and considered in
1.16 finalizing valuation of the lands.

1.17 (b) All lands exchanged under this section shall be exchanged only for lands of at
1.18 least substantially equal value. For the purposes of this subdivision, "substantially equal
1.19 value" has the meaning given under Minnesota Statutes, section 94.343, subdivision 3,
1.20 paragraph (b).

1.21 Subd. 3. Title. Title to the land must be examined to the extent necessary for
1.22 the parties to determine that the title is good, with any encumbrances identified. Title
1.23 examination and approval of the land shall be undertaken as a condition of exchange
1.24 of land for tax-forfeited land in Itasca County. The county attorney shall examine one

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2.1 or more title reports or title insurance commitments prepared or underwritten by a title
2.2 insurer licensed to conduct title insurance business in this state, regardless of whether
2.3 abstracts were created or updated in the preparation of the title reports or commitments.
2.4 The opinion of the county attorney, and approval by the attorney general, shall be based on
2.5 those title reports or commitments. The parties to the exchange may utilize title insurance
2.6 to aid in the determination.

2.7 Subd. 4. **Approval by Land Exchange Board.** All land exchanges under this
2.8 section, and the terms and conditions of the exchanges, require the unanimous approval of
2.9 the Land Exchange Board.

2.10 Subd. 5. **Conveyance.** (a) When tax-forfeited land in Itasca County is given in
2.11 exchange for other land, the deed to the other land shall first be delivered to the county
2.12 auditor. Following the recording of the deed, the commissioner of revenue shall deliver
2.13 the deed conveying the tax-forfeited land.

2.14 (b) All deeds shall be recorded or registered with Itasca County.

2.15 Subd. 6. **Reversionary interest; mineral and water power rights and other**
2.16 **reservations.** (a) All deeds conveying tax-forfeited land given in an exchange under this
2.17 section shall include a reverter that provides that title to the land automatically reverts
2.18 to tax-forfeited status if:

2.19 (1) the receiving entity sells, exchanges, or otherwise transfers title of the land
2.20 within 40 years of the date of the deed conveying ownership; and

2.21 (2) there is no prior written approval for the transfer from the Itasca County Board.

2.22 (b) Tax-forfeited land given in exchange is subject to the reservation provisions of
2.23 Minnesota Statutes, section 94.344, subdivision 4.

2.24 Subd. 7. **Land status.** Land received in exchange for tax-forfeited land is subject to
2.25 a trust in favor of the governmental subdivision wherein it lies and all laws relating to
2.26 tax-forfeited land.

2.27 **EFFECTIVE DATE.** This section is effective the day after compliance with
2.28 Minnesota Statutes, section 645.021, subdivision 3, by the governing body of Itasca
2.29 County.