

## CHAPTER 282

## TAX-FORFEITED LAND SALES

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**282.016 PROHIBITED PURCHASERS.**

(a) A county auditor, county treasurer, county attorney, court administrator of the district court, county assessor, supervisor of assessments, deputy or clerk or an employee of such officer, a commissioner for tax-forfeited lands or an assistant to such commissioner, must not become a purchaser, either personally or as an agent or attorney for another person, of the properties offered for sale under the provisions of this chapter in the county for which the person performs duties. A person prohibited from purchasing property under this section must not directly or indirectly have another person purchase it on behalf of the prohibited purchaser for the prohibited purchaser's benefit or gain.

(b) Notwithstanding paragraph (a), such officer, deputy, clerk, or employee or commissioner for tax-forfeited lands or assistant to such commissioner may (1) purchase lands owned by that official at the time the state became the absolute owner thereof, or (2) bid upon and purchase forfeited property offered for sale under the alternate sale procedure described in section 282.01, subdivision 7a.

*History: 2005 c 151 art 5 s 31*

**282.04 TIMBER SALES; LAND USE, LEASE, PARTITION, EASEMENT.**

Subdivision 1. **Timber sales; land leases and uses.** (a) The county auditor may sell timber upon any tract that may be approved by the natural resources commissioner. The sale of timber shall be made for cash at not less than the appraised value determined by the county board to the highest bidder after not less than one week's published notice in an official paper within the county. Any timber offered at the public sale and not sold may thereafter be sold at private sale by the county auditor at not less than the appraised value thereof, until the time as the county board may withdraw the timber from sale. The appraised value of the timber and the forestry practices to be followed in the cutting of said timber shall be approved by the commissioner of natural resources.

(b) Payment of the full sale price of all timber sold on tax-forfeited lands shall be made in cash at the time of the timber sale, except in the case of oral or sealed bid auction sales, the down payment shall be no less than 15 percent of the appraised value, and the balance shall be paid prior to entry. In the case of auction sales that are partitioned and sold as a single sale with predetermined cutting blocks, the down payment shall be no less than 15 percent of the appraised price of the entire timber sale which may be held until the satisfactory completion of the sale or applied in whole or in part to the final cutting block. The value of each separate block must be paid in full before any cutting may begin in that block. With the permission of the county contract administrator the purchaser may enter unpaid blocks and cut necessary timber incidental to developing logging roads as may be needed to log other blocks provided that no timber may be removed from an unpaid block until separately scaled and paid for. If payment is provided as specified in this paragraph as security under paragraph (a) and no cutting has taken place on the contract, the county auditor may credit the security provided, less any down payment required for an auction sale under this paragraph, to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited, provided

the request and transfer is made within the same calendar year as the security was received.

(c) The county board may require final settlement on the basis of a scale of cut products. Any parcels of land from which timber is to be sold by scale of cut products shall be so designated in the published notice of sale under paragraph (a), in which case the notice shall contain a description of the parcels, a statement of the estimated quantity of each species of timber, and the appraised price of each species of timber for 1,000 feet, per cord or per piece, as the case may be. In those cases any bids offered over and above the appraised prices shall be by percentage, the percent bid to be added to the appraised price of each of the different species of timber advertised on the land. The purchaser of timber from the parcels shall pay in cash at the time of sale at the rate bid for all of the timber shown in the notice of sale as estimated to be standing on the land, and in addition shall pay at the same rate for any additional amounts which the final scale shows to have been cut or was available for cutting on the land at the time of sale under the terms of the sale. Where the final scale of cut products shows that less timber was cut or was available for cutting under terms of the sale than was originally paid for, the excess payment shall be refunded from the forfeited tax sale fund upon the claim of the purchaser, to be audited and allowed by the county board as in case of other claims against the county. No timber, except hardwood pulpwood, may be removed from the parcels of land or other designated landings until scaled by a person or persons designated by the county board and approved by the commissioner of natural resources. Landings other than the parcel of land from which timber is cut may be designated for scaling by the county board by written agreement with the purchaser of the timber. The county board may, by written agreement with the purchaser and with a consumer designated by the purchaser when the timber is sold by the county auditor, and with the approval of the commissioner of natural resources, accept the consumer's scale of cut products delivered at the consumer's landing. No timber shall be removed until fully paid for in cash. Small amounts of timber not exceeding \$3,000 in appraised valuation may be sold for not less than the full appraised value at private sale to individual persons without first publishing notice of sale or calling for bids, provided that in case of a sale involving a total appraised value of more than \$200 the sale shall be made subject to final settlement on the basis of a scale of cut products in the manner above provided and not more than two of the sales, directly or indirectly to any individual shall be in effect at one time.

(d) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations or organized subdivisions of the state at public or private sale, and at the prices and under the terms as the county board may prescribe, for use as cottage and camp sites and for agricultural purposes and for the purpose of taking and removing of hay, stumpage, sand, gravel, clay, rock, marl, and black dirt from the land, and for garden sites and other temporary uses provided that no leases shall be for a period to exceed ten years; provided, further that any leases involving a consideration of more than \$12,000 per year, except to an organized subdivision of the state shall first be offered at public sale in the manner provided herein for sale of timber. Upon the sale of any leased land, it shall remain subject to the lease for not to exceed one year from the beginning of the term of the lease. Any rent paid by the lessee for the portion of the term cut off by the cancellation shall be refunded from the forfeited tax sale fund upon the claim of the lessee, to be audited and allowed by the county board as in case of other claims against the county.

(e) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations, or organized subdivisions of the state at public or private sale, at the prices and under the terms as the county board may prescribe, for the purpose of taking and removing for use for road construction and other purposes tax-forfeited stockpiled iron-bearing material. The county auditor must determine that the material is needed and suitable for use in the construction or maintenance of a road, tailings basin, settling basin, dike, dam, bank fill, or other works on public or private property, and that the use would be in the best interests of the public. No lease shall exceed ten years. The use of a stockpile for these purposes must first be approved

by the commissioner of natural resources. The request shall be deemed approved unless the requesting county is notified to the contrary by the commissioner of natural resources within six months after receipt of a request for approval for use of a stockpile. Once use of a stockpile has been approved, the county may continue to lease it for these purposes until approval is withdrawn by the commissioner of natural resources.

(f) The county auditor, with the approval of the county board is authorized to grant permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean ores, tailings, or waste products from mines or ore milling plants, upon the conditions and for the consideration and for the period of time, not exceeding 15 years, as the county board may determine. The permits, licenses, or leases are subject to approval by the commissioner of natural resources.

(g) Any person who removes any timber from tax-forfeited land before said timber has been scaled and fully paid for as provided in this subdivision is guilty of a misdemeanor.

(h) The county auditor may, with the approval of the county board, and without first offering at public sale, grant leases, for a term not exceeding 25 years, for the removal of peat and for the production or removal of farm-grown closed-loop biomass as defined in section 216B.2424, subdivision 1, or short-rotation woody crops from tax-forfeited lands upon the terms and conditions as the county board may prescribe. Any lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops from tax-forfeited lands must first be reviewed and approved by the commissioner of natural resources if the lease covers 320 or more acres. No lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops shall be made by the county auditor pursuant to this section without first holding a public hearing on the auditor's intention to lease. One printed notice in a legal newspaper in the county at least ten days before the hearing, and posted notice in the courthouse at least 20 days before the hearing shall be given of the hearing.

(i) Notwithstanding any provision of paragraph (c) to the contrary, the St. Louis County auditor may, at the discretion of the county board, sell timber to the party who bids the highest price for all the several kinds of timber, as provided for sales by the commissioner of natural resources under section 90.14. Bids offered over and above the appraised price need not be applied proportionately to the appraised price of each of the different species of timber.

(j) In lieu of any payment or deposit required in paragraph (b), as directed by the county board and under terms set by the county board, the county auditor may accept an irrevocable bank letter of credit in the amount equal to the amount otherwise determined in paragraph (b). If an irrevocable bank letter of credit is provided under this paragraph, at the written request of the purchaser, the county may periodically allow the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the county has received payment. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than 20 percent of the value of the timber purchased. If an irrevocable bank letter of credit or cash deposit is provided for the down payment required in paragraph (b), and no cutting of timber has taken place on the contract for which a letter of credit has been provided, the county may allow the transfer of the letter of credit to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited.

*[For text of subd 1a, see M.S.2004]*

**Subd. 2. Rights before sale; improvements, insurance, demolition.** (a) Before the sale of a parcel of forfeited land the county auditor may, with the approval of the county board of commissioners, provide for the repair and improvement of any building or structure located upon the parcel, and may provide for maintenance of tax-forfeited lands, if it is determined by the county board that such repairs, improvements, or maintenance are necessary for the operation, use, preservation, and safety of the building or structure.

(b) If so authorized by the county board, the county auditor may insure the building or structure against loss or damage resulting from fire or windstorm, may purchase workers' compensation insurance to insure the county against claims for injury to the persons employed in the building or structure by the county, and may insure the county, its officers and employees against claims for injuries to persons or property because of the management, use, or operation of the building or structure.

(c) The county auditor may, with the approval of the county board, provide:

(1) for the demolition of the building or structure, which has been determined by the county board to be especially liable to fire or so situated as to endanger life or limb or other buildings or property in the vicinity because of age, dilapidated condition, defective chimney, defective electric wiring, any gas connection, heating apparatus, or other defect; and

(2) for the sale of salvaged materials from the building or structure.

(d) The county auditor, with the approval of the county board, may provide for the sale of abandoned personal property. The sale may be made by the sheriff using the procedures for the sale of abandoned property in section 345.15 or by the county auditor using the procedures for the sale of abandoned property in section 504B.271. The net proceeds from any sale of the personal property, salvaged materials, timber or other products, or leases made under this law must be deposited in the forfeited tax sale fund and must be distributed in the same manner as if the parcel had been sold.

(e) The county auditor, with the approval of the county board, may provide for the demolition of any structure on tax-forfeited lands, if in the opinion of the county board, the county auditor, and the land commissioner, if there is one, the sale of the land with the structure on it, or the continued existence of the structure by reason of age, dilapidated condition or excessive size as compared with nearby structures, will result in a material lessening of net tax capacities of real estate in the vicinity of the tax-forfeited lands, or if the demolition of the structure or structures will aid in disposing of the tax-forfeited property.

(f) Before the sale of a parcel of forfeited land located in an urban area, the county auditor may with the approval of the county board provide for the grading of the land by filling or the removal of any surplus material from it. If the physical condition of forfeited lands is such that a reasonable grading of the lands is necessary for the protection and preservation of the property of any adjoining owner, the adjoining property owner or owners may apply to the county board to have the grading done. If, after considering the application, the county board believes that the grading will enhance the value of the forfeited lands commensurate with the cost involved, it may approve it, and the work must be performed under the supervision of the county or city engineer, as the case may be, and the expense paid from the forfeited tax sale fund.

*[For text of subs 3 to 5, see M.S.2004]*

**History:** 2005 c 136 art 9 s 3; 2005 c 141 s 13; 1Sp2005 c 1 art 2 s 141

## 282.041 ALTERNATIVE RECORDING FOR COUNTY FOREST ROAD.

Subdivision 1. **Definition.** "County forest road" means a road constructed, acquired, maintained, or administered by the county for the purpose of public access and management of tax-forfeited lands that have been classified as conservation lands under this chapter.

Subd. 2. **Authorization.** A county board may adopt a recorded county forest road map according to section 89.715 to record county forest road prescriptive easements. For purposes of this section, "recorded county forest road map" means the official map of county forest roads.

Subd. 3. **Unrecorded road or trail not affected.** This section does not affect the legal status or county obligations of roads and trails not shown on the recorded county forest road map.

**History:** 2005 c 101 s 2

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

The net proceeds from the sale or rental of any parcel of forfeited land, or from the sale of products from the forfeited land, must be apportioned by the county auditor to the taxing districts interested in the land, as follows:

(1) the portion required to pay any amounts included in the appraised value under section 282.01, subdivision 3, as representing increased value due to any public improvement made after forfeiture of the parcel to the state, but not exceeding the amount certified by the clerk of the municipality must be apportioned to the municipal subdivision entitled to it;

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

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

(4) any balance must be apportioned as follows:

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

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

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

*History:* 2005 c 151 art 5 s 32; 1Sp2005 c 1 art 2 s 142

**282.15 SALES OF FORFEITED AGRICULTURAL LANDS.**

The sale shall be conducted by the auditor of the county in which the parcels lie. The parcels shall be sold to the highest bidder but not for less than the appraised value. The sales shall be for cash or on the following terms: The appraised value of all merchantable timber on agricultural lands shall be paid for in full at the date of sale. At least 15 percent of the purchase price of the land shall be paid in cash at the time of purchase. The balance shall be paid in not more than 20 equal annual installments, with interest at a rate equal to the rate in effect at the time under section 549.09 on the unpaid balance each year. Both principal and interest are due and payable on December 31 each year following that in which the purchase was made. The purchaser may pay any number of installments of principal and interest on or before their due date. When the sale is on terms other than for cash in full, the purchaser shall receive from the county auditor a contract for deed, in a form prescribed by the attorney general. The county auditor shall make a report to the commissioner of natural resources not more than 30 days after each public sale showing the lands sold at the sales, and submit a copy of each contract of sale.

All lands sold pursuant to this section must be restored to the tax rolls and become subject to taxation in the same manner as they were assessed and taxed before

becoming the absolute property of the state for the assessment year determined under section 272.02, subdivision 38, paragraph (c).

**History:** 2005 c 151 art 5 s 33

#### **282.21 FORM OF CONVEYANCE.**

When any sale has been made under sections 282.14 to 282.22, upon payment in full of the purchase price, appropriate conveyance in fee in such form as may be prescribed by the attorney general shall be issued by the commissioner of natural resources to the purchaser or the purchaser's assigns and this conveyance shall have the force and effect of a patent from the state.

**History:** 2005 c 151 art 5 s 34

#### **282.224 FORM OF CONVEYANCE.**

When any sale has been made under sections 282.221 to 282.226, upon payment in full of the purchase price, appropriate conveyance in fee, in such form as may be prescribed by the attorney general, shall be issued by the commissioner of natural resources to the purchaser or the purchaser's assignee, and the conveyance shall have the force and effect of a patent from the state.

**History:** 2005 c 151 art 5 s 35

#### **282.301 RECEIPTS FOR PAYMENTS.**

When any sale has been made under sections 282.012 and 282.241 to 282.324, the purchaser shall receive from the county auditor at the time of repurchase a receipt, in such form as may be prescribed by the attorney general. When the purchase price of a parcel of land shall be paid in full, the following facts shall be certified by the county auditor to the commissioner of revenue of the state of Minnesota: the description of land, the date of sale, the name of the purchaser or the purchaser's assignee, and the date when the final installment of the purchase price was paid. Upon payment in full of the purchase price, the purchaser or the assignee shall receive a quitclaim deed from the state, to be executed by the commissioner of revenue. The deed must be sent to the county auditor who shall have it recorded before it is forwarded to the purchaser. Failure to make any payment herein required shall constitute default and upon such default and cancellation in accord with section 282.40, the right, title and interest of the purchaser or the purchaser's heirs, representatives, or assigns in such parcel shall terminate.

**History:** 2005 c 151 art 5 s 36

#### **282.38 FOREST DEVELOPMENT FUNDS.**

Subdivision 1. **Development.** In any county where the county board by proper resolution sets aside funds for forest development pursuant to section 282.08, clause (5), item (i), or section 459.06, subdivision 2, the commissioner of Iron Range resources and rehabilitation with the approval of the board may upon request of the county board assist said county in carrying out any project for the long range development of its forest resources through matching of funds or otherwise.

*[For text of subs 2 and 3, see M.S.2004]*

**History:** 1Sp2005 c 1 art 2 s 143