



Aitkin	Carlton	Cook	Itasca	Lake of the Woods
Becker	Cass	Crow Wing	Koochiching	Pine
Beltrami	Clearwater	Hubbard	Lake	St. Louis

February 1, 2022

The Honorable Representative Rick Hansen – Chair
House Environment and Natural Resources Policy and Finance Committee
407 Rev. Dr. Martin Luther King Jr. Blvd.
St Paul, MN 55155

RE: HOUSE FILE 2162

Dear Mr. Chair and Committee Members,

The Minnesota Association of County Land Commissioners (MACLC) which represents fifteen northern Minnesota county land departments that are responsible for managing all aspects of 2.7 million acres of tax-forfeited lands within our respective counties appreciate the opportunity to voice our support of House File 2162.

Our organization, along with many other county governments across Minnesota have seen an increase in the number and severity of blighted and contaminated tax-forfeited properties in recent years. From abandoned gas stations to residential buildings that are severely in need of remediation, House File 2162 would allow county boards the authority to place tax-forfeited revenue streams into an account solely dedicated to blight and contamination cleanup on tax-forfeited lands proactively. This would allow counties to plan and better address these issues when they arise. We believe House File 2162 would give all counties in Minnesota added flexibility in dealing with these issues that unfortunately have trended in the wrong direction in recent years.

We respectfully ask for your support of House File 2162 and appreciate the opportunity to provide the Committee with feedback. Thank you for your consideration.

Sincerely,

Nate Eide-Chairperson
Minnesota Association of County Land Commissioners
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TAX-FORFEITED PROPERTIES CLEAN-UP COSTS

From the Association of Minnesota Counties Platform:

AMC supports legislation to address the expenses counties incur for the clean-up and maintenance requirements of blighted or environmentally contaminated tax forfeiture properties.

BACKGROUND

When taxes go unpaid on a property in Minnesota, the land is turned over to the state and counties become responsible for administering a tax-forfeited land program. Counties are obligated by statute to manage and maintain the tax-forfeited property located within their boundaries once the title transfers to the state. Their goal is to encourage the best use of the property, return it to productive taxable property, or put the property to public use, which can be done in the following manners:

- Re-convey the property to the prior owner under a repurchase agreement.
- Convey the property to a political subdivision free of charge for a public use.
- Sell the property to political subdivision or state agency for a public purpose.
- Sell the property to a third party at a public auction or private (adjacent) owner sale.

In recent years, counties are seeing costs to clean-up these tax-forfeited parcels that are higher than revenues the land sales generate.



ENGAGEMENT



The Association of Minnesota Counties has been working with representatives of the Minnesota Association of County Officers, Minnesota Association of County Land Commissioners, Minnesota Department of Employment and Economic Development, Minnesota Department of Commerce, Minnesota Pollution Control Agency, and others to find solutions for addressing these blighted or environmentally contaminated properties.

Some state and federal clean-up programs exist, but they are limited based on the types of remediation needed and plans for development. **Counties have found that most of the clean-up projects on tax-forfeited properties do not qualify for existing state or federal programs.**

AMC MEMBER SURVEY

AMC surveyed counties across the state to learn more about the scope of the problem. Fifty-two counties responded and the following is a summary of responses:

Has your county undertaken remediation or clean-up of a tax-forfeited property in the last five years?

Yes: 36

No: 16

How many remediation/clean-up projects has your county undertaken in the last five years?

Range: 1 to 430 projects

Median: 8

Average: 23 (remove 430 project entry, the average drops to 11)

What was the cost of your county's most expensive remediation/clean-up project in the last five years?

Range: \$2,300 to \$300,000

Average: \$79,481

Do revenues received from the sale of tax-forfeited properties frequently cover costs?

Always: 2

Rarely: 16

Usually: 2

Never: 7

Sometimes: 8

Are you experiencing an increase or decrease in the number of tax-forfeited properties?

Increase: 14

Stable: 17

Decrease: 3

Unsure: 1

What types of clean-up activities has your county undertaken on properties in the past five years?

Teardown: 32

Tire removal: 22

Solid waste: 30

Asbestos removal: 25

Soil Contamination: 13

Other*: 13

*E-waste, batteries, drug-making residue, human waste, yard clean-up, junk cars.

SURVEY COMMENTS

"We currently have an old school in tax-forfeiture. The cost of demolition on the property will exceed \$500,000."

"It would be nice for county boards to have the option to set aside sales dollars to be used for clean-up."

"We have a former old school building that was a commercial property prior to forfeiture. It will need asbestos abatement, demolition, and underground storage tank removal that will likely cost the county more than \$200,000. The bare lot is worth less than \$10,000."

"State aid to help with these clean-ups would be great, as more people are walking away from their homes in the rural areas. There is also the potential of meth houses which are costly to clean-up."

"There is not enough clarity in law as to how counties can use funds for remediation."