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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5246

04/02/2024 Authored by Lislegard, Davids and Skraba
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to state finance; establishing a tax-forfeited lands settlement account;
1.3 transferring money; appropriating money; proposing coding for new law in
1.4 Minnesota Statutes, chapter 282.

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

1.6 Section 1. 282.42 TAX-FORFEITED LANDS SETTLEMENT ACCOUNT.

1.7 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.8 the meanings given.

1.9 (b) "Applicable start date" means:

1.10 (1) for Hennepin County, August 16, 2012;

1.11 (2) for St. Louis County, June 2, 2016; and

1.12 (3) for all other counties, June 23, 2016.

1.13 (c) "Commissioner" means the commissioner of management and budget.

1.14 (d) "Participating county" means a county that:

1.15 (1) elects to participate in the settlement;

1.16 (2) agrees to provide the commissioner with all public property tax records reasonably
1.17 necessary to effectuate the settlement agreement by August 1, 2024;

1.18 (3) agrees to make a good faith effort to sell all properties that forfeited between the
1.19 applicable start date and December 31, 2023, other than those that were classified as
1.20 conservation lands during that period and those in which title is no longer held in trust by
1.21 the state of Minnesota for taxing districts;

2.1 (4) agrees that for any sale made under clause (3):

2.2 (i) the sale will be made in accordance with the first two sentences of section 282.01,
2.3 subdivision 4, paragraph (a);

2.4 (ii) the sale will be for cash only and not on terms; and

2.5 (iii) notwithstanding any provision of chapter 282 to the contrary, 75 percent of the
2.6 proceeds of the sale will be remitted to the commissioner for deposit in the tax-forfeited
2.7 lands settlement account; and

2.8 (5) agrees that any properties subject to sale under clause (3) that remain unsold on June
2.9 30, 2026, must continue to be managed under the laws governing tax-forfeited lands until
2.10 they are disposed of under those laws.

2.11 (e) "Settlement" means the agreement and order entered on, 2024, settling litigation
2.12 related to the state's retention of tax-forfeited lands, surplus proceeds from the sale of
2.13 tax-forfeited lands, and mineral rights in those lands.

2.14 Subd. 2. **Establishment.** The tax-forfeited lands settlement account is established in the
2.15 special revenue fund. The account consists of money transferred to the account and money
2.16 deposited in the account under the terms of the settlement.

2.17 Subd. 3. **Appropriation.** Money in the tax-forfeited lands settlement account is
2.18 appropriated to the commissioner of management and budget to make payments under the
2.19 terms of the settlement for properties located in participating counties. The total amount of
2.20 payments under this subdivision must not exceed \$109,000,000.

2.21 Subd. 4. **Nonparticipating counties.** A county that is not a participating county retains
2.22 all risk of liability for claims related to properties forfeited before January 1, 2024. The
2.23 state of Minnesota is not financially responsible for claims related to those properties and
2.24 may seek indemnification from counties that are not participating counties for any expenses
2.25 or judgments related to those properties.

2.26 Subd. 5. **Requirement.** A county that makes a sale pursuant to subdivision 1, paragraph
2.27 (d), clause (3), is required to distribute the sale proceeds pursuant to subdivision 1, paragraph
2.28 (d), clause (4), item (iii), by June 30, 2027. If a county does not remit all or a portion of the
2.29 amount required to be remitted under subdivision 1, paragraph (d), clause (4), item (iii), by
2.30 that date, aid paid to the county pursuant to section 477A.0124 must be reduced in the
2.31 following aids payable year by the required amount that was not remitted.

2.32 Subd. 6. **Transfer balance to general fund.** Any remaining balance in the account on
2.33 June 30, 2027, is transferred to the general fund.

3.1 Subd. 7. **Expiration.** This section expires July 1, 2027.

3.2 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.3 Sec. 2. **TRANSFER.**

3.4 \$109,000,000 in fiscal year 2024 is transferred from the general fund to the tax-forfeited
3.5 lands settlement account in the special revenue fund. This is a onetime transfer.

3.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.