

2017 PROPERTY TAX AND LOCAL AIDS LEGISLATIVE BULLETIN



Appeals and Legal Services Division
600 North Robert Street
Saint Paul, Minnesota 55146-2220

Bulletin Date: June 30, 2017

Unless otherwise noted, the provisions discussed in this bulletin can be found in 2017 Minn. Laws, 1st Spec. Sess. ch. 1.

Income property assessment data. Minn. Stat. § 13.51, subd. 2, regarding income property assessment data, was amended to add data collected by the state to the list of data collected by political subdivisions that are classified as private or nonpublic data pursuant to § 13.02, subsds. 9 and 12. Effective May 31, 2017.

Allowed commercial and industrial operations. Minn. Stat. § 40A.18, subd. 2, was amended to allow wireless communication equipment and structures to be installed on property within an agricultural preserve. Effective May 31, 2017.

Police officer and firefighter pension membership; cross-references. Minn. Stat. § 69.021, subd. 10, was amended to reference the appropriate subdivisions in Minn. Stat. § 353.64, relating to police officer and firefighter pension membership. Minn. Stat. § 353.64 was reorganized in 2000 Minn. Laws ch. 461, art. 3, §§ 19 to 22. Effective August 1, 2017. 2017 Minn. Laws ch. 40, art. 1, § 8.

Air commerce definition. Minn. Stat. § 270.071, subd. 2, was amended to change the definition of air commerce to specifically include airline companies that make three or more flights in, out, or within Minnesota during a calendar year. Effective for assessment year 2018 and thereafter.

Flight property definition. Minn. Stat. § 270.071, subd. 7, was amended to provide that flight property does not include aircraft with a maximum takeoff weight of less than 30,000 pounds. Current law referred to aircraft with a gross weight of less than 30,000 pounds. Maximum takeoff weight is a standard aviation term that refers to the maximum weight at which the pilot of an aircraft is allowed to take off. Effective for assessment year 2018 and thereafter.

Person definition. Minn. Stat. § 270.071, subd. 8, was amended to adopt the definition of “person” used in § 270C.01, subd. 6, to make it consistent with the definition used for other taxes administered by the commissioner. Effective for assessment year 2018 and thereafter.

Intermittent or irregularly timed flights definition. Minn. Stat. § 270.071 was amended to add a new subdivision 10, defining “intermittent or irregularly timed flights” to mean flights in which departures and arrivals are negotiated with the customer. The term also includes charter flights. Effective for assessment year 2018 and thereafter.

Assessment of flight property. Minn. Stat. § 270.072, subd. 2, was amended to delete language that excludes aircraft with a gross weight of less than 30,000 pounds and used on intermittent and irregularly timed flights from the provisions of the Airflight Property Tax. This language will no longer be needed because the statute will use the term “maximum takeoff weight” instead of “gross weight”. This type of aircraft will no longer meet the definition of “flight property”, and therefore will not be valued for purposes of the tax. Effective for assessment year 2018 and thereafter.

Air flight property tax reports. Minn. Stat. § 270.072, subd. 3, was amended to provide that airline companies must file reports unless the commissioner determines that the company is exempt and clarifies that the commissioner may prescribe the content, format, and manner of air flight property tax reports pursuant to Minn. Stat. § 270C.30. Also adds a cross reference to the definition of “electronic signature” in § 270C.304. The provision requiring airline companies to file reports unless determined to be exempt is effective for reports filed in 2018 and thereafter. The provisions regarding the content, format, and manner of reports are effective May 31, 2017.

Airline company reports. Minn. Stat. § 270.072 was amended by adding a new subd. 3a, to provide that if an airline company does not file a report the commissioner may file a report for it based on information that the commissioner has or can obtain or may issue a notice of net tax capacity. Effective for assessment year 2018 and thereafter.

Flight property apportionment. Minn. Stat. § 270.074, subd. 1, was amended by adjusting the formula for apportioning the value of flight property to Minnesota, such that apportionment is based on the total of one-half of the percentage of revenue ton miles flown by an airline company within the state and one-half of the percentage of total departures by an airline company within the state. Also repealed Minn. Stat. § 270.074, subd. 2, which provides for alternative apportionment methods upon petition to the Commissioner. Effective for assessment year 2018 and thereafter.

Flight property. Minn. Stat. § 270.074, subd. 3, was amended by updating the name of the Federal Aviation Administration. Effective August 1, 2017. 2017 Minn. Laws ch. 40, art. 1, § 92.

Flight property. Minn. Stat. § 270.078, subd. 1, was amended by correcting an erroneous cross-reference to the proper subdivision in § 270.074 that provides for the net tax capacity of the flight property of airline companies. Effective May 31, 2017.

State Board of Equalization (Board) reassessment orders. Minn. Stat. § 270.12 was amended by adding a new subd. 6, to allow the Board to issue orders to county assessors to reassess all or an identified set of parcels in a county if the Board determines that property has been under or over valued and the assessment is grossly unfair or inequitable. Effective for assessment year 2018 and thereafter.

Board of Assessors fees. Minn. Stat. § 270.44 was amended by increasing the fees for various levels of assessor licensure and other fees collected by the Board of Assessors. Effective beginning with licenses issued after June 30, 2018. 2017 Minn. Laws, 1st Spec. Sess. ch. 4, art. 2, § 34.

Board of Assessors special revenue fund. Minn. Stat. § 270.45 was amended to create a special revenue fund for the Board of Assessors, into which all fees collected by the Board must be deposited. These funds are appropriated to the Department of Revenue to carry out the administrative functions of the Board. Effective July 1, 2017. 2017 Minn. Laws, 1st Spec. Sess. ch. 4, art. 2, § 35.

Board of Assessor refunds. New statute Minn. Stat. § 270.455 was enacted giving authority to the Board of Assessors to pay refunds or credits of a fee or any part of a fee that was erroneously paid to the Board. These refunds or credits will be paid out of the dedicated account within the Board's special revenue fund into which the fee had been deposited. Effective July 1, 2017. 2017 Minn. Laws, 1st Spec. Sess. ch. 4, art. 2, § 36.

County Board of Appeal and Equalization proceedings minutes. Minn. Stat. § 270C.89, subd. 1, was amended by eliminating the requirement that county boards of appeal and equalization file a printed or typewritten copy of meeting minutes with the Commissioner of Revenue. Effective for local and county boards of appeal and equalization meetings held in 2017 and thereafter.

Assessor accreditation waiver. Minn. Stat. § 270C.9901 was amended by extending the deadline by which assessors must obtain a license as an accredited assessor from the state Board of Assessors to July 1, 2022, or within five years of that person becoming a certified assessor, whichever is later. Also allows an assessor who was licensed before July 1, 2004, and has maintained that licensure, to apply for a waiver from the accredited assessor licensure requirement. Effective May 31, 2017.

Definition of pipeline companies. Minn. Stat. §§ 272.02, subd. 9, and 273.33, subds. 1 and 2, were amended to clarify that all transportation pipelines are subject to assessment and taxation without regard to the material transported through the pipeline. Effective May 31, 2017.

Agricultural containment facilities. Minn. Stat. § 272.02, subd. 23, which provided a property tax exemption for containment tanks, cache basins, and the portion of a containment facility needed to confine agricultural chemicals, was repealed. Effective retroactively beginning with taxes payable in 2016, provided that nothing in the repealer shall cause property that the assessor classified as exempt for property taxes payable in 2016 or 2017 to lose its exempt status for taxes payable in those years.

Apprenticeship training facilities. Minn. Stat. § 272.02, subd. 86, was amended by lowering the population threshold for a township to qualify for apprenticeship training facility exemption to 1,400. Effective beginning with taxes payable in 2018.

Electric generation facility exemption. Minn. Stat. § 272.02 was amended by adding a new subdivision 100, to exempt a natural gas electric generation facility that is owned by a municipal power agency and meets certain additional criteria. Effective beginning with taxes payable in 2018.

Certain property owned by an Indian tribe. Minn. Stat. § 272.02 was amended by adding a new subdivision 101, to exempt property in Duluth that is owned by an Indian tribe that is used as a medical clinic. Effective beginning with taxes payable in 2018.

Leased seasonal-recreational land. Minn. Stat. § 272.0213 was amended to automatically exempt land leased from a county, a city, a town, or the state that is used for seasonal-recreational purposes, including class 1c commercial seasonal-recreational homestead property. Effective beginning with taxes assessed in 2018 and payable in 2019.

Statement of exemption. Minn. Stat. § 272.025, subd. 1, was amended by providing the commissioner with authority to determine the types of exemptions for which a taxpayer must file a statement of exemption and requires publication of the list on the agency's website by January 2, 2018 and every 3 years thereafter. Effective for applications for exemption submitted in 2018 and thereafter.

Wind energy conversion systems. Minn. Stat. § 272.029, subd. 2, was amended to provide that one of the criteria for determining whether the nameplate capacities of wind energy conversion systems may be combined in order to determine the total size of the system for purposes of the wind energy production tax rate is whether the systems were constructed within the same 12-month period. This change makes the criteria consistent with that used for the solar energy production tax. Effective for reports filed in 2018 and thereafter.

Wind energy production tax reports. Minn. Stat. § 272.029 was amended by adding a new subd. 8, to allow the commissioner to grant an extension of time to file Wind Energy Production Tax Reports for up to 15 days upon a showing of good cause. Effective for reports filed in 2018 and thereafter.

Filing extension. Minn. Stat. § 272.0295 was amended by adding a new subd. 8, allowing the commissioner to extend the time for a taxpayer to file a report under the solar energy production tax by fifteen days. Effective for reports filed in 2018 and thereafter.

Real property. Minn. Stat. § 272.03, subd. 1, was amended to clarify that the definition of "real property" in this statute does not apply to the sales tax laws. Effective for sales and purchases made after May 30, 2017.

Certificate of real estate value. Minn. Stat. § 272.115, subd. 2, was amended by removing the requirement that the Minnesota Department of Revenue provide paper certificate of value forms to counties, as all certificates of value are now submitted electronically. Effective May 31, 2017. Similarly, Minn. Stat. § 272.115, subd. 3, was amended by removing references to paper copies of the certificate of value. Effective for certificates of value filed after December 31, 2017.

Certificate of real estate value. Minn. Stat. § 272.115 was amended by adding a new subd. 7, providing that a certificate of real estate value is not required upon fulfillment of a contract for deed, so long as the deed refers to the recorded contract and the amount of consideration paid for the property. Minn. Stat. § 272.115, subd. 1, was amended to include a cross-reference to the new subdivision. Effective April 22, 2017. 2017 Minn. Laws ch. 16, §§ 1 and 2.

Restrictions on transfers. Minn. Stat. § 272.162 was amended to allow a county to review a deed or other instrument conveying a parcel of land for transfer or division to ensure it meets the county's land use regulations before the county auditor transfers or divides the land or its net tax capacity. Effective May 31, 2017.

Division of duties between local and county assessor. Minn. Stat. §§ 273.061, subd. 7 and 273.08, were amended to require that local assessors must enter construction and valuation data into the records as directed by the county assessor. Effective for assessment year 2018 and thereafter.

Tax administrator certifications and training. Minn. Stat. § 273.0755 was amended to clarify that certain certifications issued by the Department of Revenue expire after four years. A paragraph was also added allowing the commissioner of revenue to require an individual or board member at a county or city who administers property tax to complete supplemental training to promote uniform and equitable implementation of the property tax laws. Effective for assessment year 2018 and thereafter.

Valuation notice compliance. Minn. Stat. § 273.121 was amended by adding a new subd. 3, to provide that if a county or city assessor fails to timely mail valuation notices to taxpayers, the assessor must mail an additional valuation notice and convene a supplemental local board of appeal and equalization meeting or local review session. Effective for valuation notices sent in 2018 and thereafter.

Homestead application. Minn. Stat. § 273.124, subsd. 13 and 13d, were amended by requiring that a homestead applicant provide the Social Security number of a married spouse who does not occupy the property. Effective for applications for homestead filed in 2018 and thereafter.

Manufactured home structures. Minn. Stat. § 273.125, subd. 8, was amended by increasing the threshold value of a storage shed, deck, or similar improvement that is considered personal property on a leased manufactured home site from \$1,000 to \$10,000. Effective beginning for property taxes assessed in 2018.

Blind/disabled homestead classification. Minn. Stat. § 273.13, subd. 22, was amended to clarify that for class 1b blind or disabled homestead property, for market value in excess of \$50,000, the remainder of the property is classified as either class 1a or 2a property whichever is appropriate. Effective for assessment year 2018 and thereafter.

Class 1c homestead resort property. Minn. Stat. § 273.13, subd. 22, was amended by extending the eligibility for the class 1c homestead resort classification to resort properties abutting state trails. Effective beginning with assessment year 2018 for taxes payable in 2019.

Class 2 agricultural property. Minn. Stat. § 273.13, subd. 23, was amended by allowing land enrolled in a conservation program administered by a local agency to qualify as agricultural land for property tax classification purposes, provided certain conditions are met. The definition of

“agricultural products” was also amended to include aquacultural products if the aquaculture occurs on land zoned for agricultural use. Effective beginning with assessment year 2018.

Class 4 property. Minn. Stat. § 273.13, subd. 25, was amended by expanding class 4bb to include condominium-type storage units having an individual property identification number that is not used for a commercial purposes. This section provided a reduced class rate of one percent for manufactured home park lots whose owner or manager completes educational requirements. These first two provisions are effective beginning with taxes payable in 2019. Additionally, this section reduced the class rate for property of congressionally chartered veterans’ organizations to one percent. Effective beginning with taxes assessed in 2017 and payable in 2018.

Homestead of disable veteran. Minn. Stat. § 273.13, subd. 34, was amended to allow the surviving spouse of certain veterans to qualify for the valuation exclusion spousal benefit if the veteran qualified at the time of death or the spouse has been awarded dependency and indemnity compensation. This section also eliminated the annual application requirement for valuation exclusion but requires that an owner notify the assessor if there is a change in ownership or use of the property. Effective beginning with taxes payable in 2018 and extends the first-time application deadline to August 1, 2017.

Homestead property tax relief. Minn. Stat. § 273.135, subd. 1, was amended to clarify that the credit for property in a taconite tax relief area applies to both homestead and nonhomestead portions of qualifying property. Effective May 31, 2017.

State assessed property tax appeals. Minn. Stat. § 273.372, subd. 2, was amended to provide that utility and railroad company appeals to the Minnesota Tax Court from orders of the commissioner must be filed within the time period in § 271.06, subd. 2, (60 days from the date of the order or 90 days if an extension is granted). Also provided that in the case of a conflict between § 273.372 and ch. 271 (Tax Court) or 278 (District Court or Tax Court), § 273.372 prevails. Effective for assessment year 2018 and thereafter.

Railroad and utility company appeals. Minn. Stat. § 273.372, subd. 4, was amended to make various changes in how utilities and railroads may appeal their valuations. Companies must request an administrative appeal in writing within 30 days of the valuation. The commissioner may grant a 15-day extension to file. The appeal must include identifying information about the company, include the assessment periods, identify findings that the company disputes and identify reasons for the dispute. The commissioner must notify the company of the final determination of an appeal within 30 days after the conference. Language dealing with informal appeals is deleted because it is no longer necessary as the revised section spells out how railroad and utility companies may appeal their valuations. Effective for assessment year 2018 and thereafter.

Settlement of appeals. Minn. Stat. § 273.372 was amended to add a new subd. 5, providing that when it appears to be in the best interest of the state the commissioner may settle appeals of utility and railroad valuations. Effective beginning with assessment year 2018 and thereafter.

Administrative appeal and appeal to tax court. Minn. Stat. § 273.372 was amended by adding a new subdivision 6 to clarify that if a taxpayer files an administrative appeal from an order of the commissioner and also files an appeal to Tax Court for that same order, the administrative appeal is dismissed and the commissioner no longer has to make a determination. Effective beginning with assessment year 2017.

Equalization of public utility structures. Minn. Stat. ch. 273, was amended by adding a new section 273.88 to provide that after making the apportionment required in 2015 Minn. R., part 8100.0600 the commissioner shall equalize the values of the operating structures to the level accepted by the State Board of Equalization. Effective beginning with assessment year 2017.

Local boards of appeal and equalization. Minn. Stat. § 274.01, subd. 1, was amended by clarifying that the statute's provisions related to meeting dates and times apply to local boards of appeal and equalization. Effective May 31, 2017.

Township Board of Appeals and Equalization. An uncodified provision granted a waiver for city or town boards of appeals and equalization that were in compliance with the training requirements of Minn. Stat. § 274.014, subd. 2, by February 1, 2016, but no trained member of the board attended the local board's meeting for 2016. Effective February 11, 2017. 2017 Minn. Laws ch. 3, § 1.

Local and county boards of appeal and equalization. Minn. Stat. §§ 274.014, subd. 3, and 274.135, subd. 3, were amended by clarifying training compliance requirements for local and county boards of appeal and equalization and by specifying that the transfers of appeal and equalization powers for local and county boards that do not comply with the compliance requirements are for a minimum of two assessment years. Effective for board of appeal and equalization meetings held in 2018 and thereafter.

County Board of Appeal and Equalization valuation. Minn. Stat. § 274.13, subd. 1, was amended by providing that county boards of appeal and equalization may not make a change in value or classification to benefit the property if the owner has denied the assessor access to the property. This would make the authority of county boards of appeal and equalization consistent with local boards of appeal and equalization, which are already prohibited from making valuation changes after an owner has denied the assessor access. Effective for county board of appeal and equalization meetings in 2018 and thereafter.

County Board of Appeal and Equalization certification. Minn. Stat. § 274.135, subd. 3, was amended by extending the deadline from December 1 to February 1, for county boards of appeal and equalization to certify a trained member of the board in order to be eligible to hold regular board of appeal and equalization meetings. Effective for county boards of appeal and equalization meetings held in 2018 and thereafter.

State general tax levy. Minn. Stat. § 275.025, subs. 1, 2, and 4, were amended to freeze the state general property tax levy for both commercial-industrial and seasonal-recreational properties at the payable 2018 level. The commercial-industrial portion of the levy was reduced due to an exclusion of the tax capacity attributable to the first \$100,000 of market value of each

parcel of commercial-industrial property from the levy. The levy is no longer apportioned as the commercial-industrial and seasonal-recreational property levy amounts are now separately stated in statute. Effective for taxes payable in 2018 and thereafter.

Note: As of the date of this bulletin, the freeze to the State General Property Tax levy on commercial-industrial and seasonal-recreational property contained in 2017 Minn. Laws, 1st Spec. Sess. ch. 1, is the subject of on-going negotiations.

Underserved municipalities distribution. Minn. Stat. § 275.025 was amended by adding a new subdivision 5, providing that a municipality is eligible for a distribution from the proceeds of the state general levy imposed on taxpayers in the municipality if the municipality: (1) lies wholly or partially within the metropolitan area but outside the transit taxing district; and (2) has a net fiscal disparities contribution equal to or greater than 8% of its total taxable net tax capacity. The distribution is equal to the municipality's net tax capacity tax rate multiplied by the municipality's net fiscal disparities contribution that exceeds 8% of its total taxable net tax capacity. The distribution may not exceed the state general tax imposed on taxpayers within the municipality. The distribution must be paid to the municipality by December 1 of the year the taxes are payable. Effective for taxes payable in 2018 and thereafter.

Proposed levy certification dates. Minn. Stat. §§ 275.065, subd. 1, and 275.07, subd. 1, were amended to require towns and special taxing districts, excluding the Metropolitan Council and the Metropolitan Mosquito Control Commission, to certify their proposed property tax levies to the county auditor by September 30. The Metropolitan Council and the Metropolitan Mosquito Control Commission must certify their proposed property tax levies by September 15. Effective beginning with proposed levy certifications for taxes payable in 2018.

Public meeting announcement. Minn. Stat. § 275.065, subd. 1, was amended to clarify that taxing authorities only need to announce the time and place of their regularly scheduled meetings at which the budget and levy will be discussed if they have such a meeting. Effective May 31, 2017.

Property tax levy reports. Minn. Stat. § 275.62, subd. 2, was amended by removing the requirement that towns with a population over 5,000 and communities receiving taconite aid file a property tax levy report. The reports are no longer needed for these towns and communities, as they are not subject to levy limitations. Effective May 31, 2017.

Adjusted levy limit base calculation; cross-reference. Minn. Stat. § 275.71, subd. 4, was amended to correct an erroneous cross-reference. Subdivision 24, not subd. 4, of Minn. Stat. § 273.13, defines class 3 property. Effective August 1, 2017. 2017 Minn. Laws ch. 40, art. 1, § 94.

Levy limit base correction. Minn. Stat. § 275.72, subd. 2, was amended to remove a reference to Minn. Stat. § 275.71, subd. 3, which was repealed in 2008 Minn. Laws ch. 366, art. 3, § 3. Effective August 1, 2017. 2017 Minn. Laws ch. 40, art. 1, § 95.

Proof of timely payment. Minn. Stat. § 276.017, subd. 3, was amended to clarify that the postmark or registration mark of the United States Postal Service qualifies as proof of timely

mailing. Other evidence, such as a delivery service's records, may also establish the time of mailing, but the postmark of a private postage meter or an electronic stamp purchased online may not. Effective May 31, 2017.

Property tax statement mailing dates. Minn. Stat. § 276.04, subd. 3, was amended to remove language specifying property tax statement mailing dates for taxes payable in 1990 only. Effective August 1, 2017. 2017 Minn. Laws ch. 40, art. 1, § 96.

Fiscal disparities net tax capacity; cross-reference. Minn. Stat. § 276A.06, subd. 10, was amended to correct an obsolete reference. The statute was amended in 2014 to change lettered clauses to numbers. Effective August 1, 2017. 2017 Minn. Laws ch. 40, art. 1, § 97.

State assessed property tax appeals. Minn. Stat. § 278.01, subd. 1, was amended to clarify that appeals of valuation notices may be filed in Tax Court prior to May 1 of the year in which taxes are payable only on receipt of valuation notices received from county assessors. Current law includes a citation to the notices required by § 273.121 which applies to notices received from county assessors. The statute was clarified so that taxpayers will be aware that the additional time to appeal valuation notices does not apply to state assessed property because those notices are not required by § 273.121. Effective May 31, 2017.

Due dates and penalties. Minn. Stat. § 279.01, subs. 1 and 3, were amended to equalize the penalties for first- and second-half late payments of property taxes. The language was generally restructured to provide greater clarity in the law. Effective beginning with taxes payable in 2018.

Minn. Stat. § 279.01, subd. 3, was also amended to change the due date for property taxes for class 2b property that is part of an agricultural homestead to be the same due date as the rest of the agricultural homestead. Effective beginning with taxes payable in 2019.

Penalty abatement. Minn. Stat. § 279.01, subd. 2, was amended to require the county treasurer to abate the penalty for late payment of property taxes if the property tax payment is delivered by mail and the envelope containing the payment is postmarked within one business day of the due date. The abatement only applies if the property owner requesting the abatement has not previously received such an abatement. If the postmark is missing or illegible, proof of mailing may be provided by affidavit of the property owner requesting the abatement. Effective for taxes payable in 2018 and thereafter.

Confession of judgment conditions. Minn. Stat. § 279.37 was amended to add a new subd. 1b, allowing county auditors to offer financial literacy counseling to taxpayers entering into a confession of judgment for delinquent property taxes. The counseling is voluntary and funded through confession of judgment fees set by the county board. Effective May 31, 2017.

Period of redemption. Minn. Stat. § 281.17 was amended to update language referencing targeted communities, and clarified the appropriate property classification to use in determining the period of redemption. Effective for tax judgment sales occurring after January 1, 2018.

Summons and complaint. Minn. Stat. §§ 281.173, subd. 2, and 281.174, subd. 3, were amended to allow a county to commence an action to reduce the period of redemption for abandoned or vacant property. Effective May 31, 2017.

Maintenance of tax-forfeited land. Minn. Stat. § 281.231 was enacted to provide that the fee owner or manager of tax-forfeited property may, but is not required to, expend public funds to maintain any servitude, agreement, easement, or other encumbrance affecting the property. Effective May 31, 2017.

Limited right of entry. Minn. Stat. § 281.70 was enacted to permit the county auditor to protect vacant or unoccupied property bid in for the state from waste or trespass. The costs incurred from actions taken by the county auditor may be added to the delinquent taxes due. Effective May 31, 2017.

Conveyances to public entities. Amends Minn. Stat. § 282.01, subd. 1a, was amended by clarifying and modernizing the language used in describing the procedures for taxing districts to sell tax-forfeited land. Effective May 31, 2017.

Conditional use deed reconveyance. Minn. Stat. § 282.01, subd. 1d, was amended to clarify that when a governmental subdivision wishes to purchase tax-forfeited property that it owns, but is subject to a conditional use deed, the governmental subdivision must reconvey the land subject to the conditional use deed to the commissioner of revenue before the commissioner may convey the property free of the use restriction. Effective May 31, 2017.

Sale of tax-forfeited property. Minn. Stat. § 282.01, subd. 4, was amended to permit a county board to resolve to list and sell tax-forfeited parcels through a real estate broker. A buyer who could have repurchased tax-forfeited property listed through a real estate broker may not purchase the property for less than the sum of the taxes, assessments, penalties, interest, and costs due at the time of forfeiture. Effective May 31, 2017.

Online auction. Minn. Stat. § 282.01 was amended to add a new subd. 13, permitting a county board or county auditor to sell tax-forfeited lands through an online auction. Minn. Stat. § 282.02, was also amended to describe notification procedures in the event of an online auction for tax-forfeited land. Effective for sales of tax-forfeited property that occur on or after August 1, 2017.

Prohibited purchasers. Minn. Stat. § 282.016 was amended to allow a county auditor to prohibit certain persons or entities from purchasing tax-forfeited land if they (1) owe delinquent taxes on another property within the county, (2) held a rental license in the county that has been revoked within the last five years, or (3) have been the vendee of a contract for purchase of a tax-forfeited property offered for sale and the contract has been canceled within the last five years. Prohibited persons must not directly or indirectly have another person purchase tax-forfeited property for them on their behalf or for their benefit or gain. Effective May 31, 2017.

Land on or adjacent to public waters. Minn. Stat. § 282.018, subd. 1, was amended to allow a county to sell certain tax-forfeited property on or adjacent to public waters if written

authorization is obtained from the Minnesota Department of Natural Resources. Effective May 31, 2017.

Land sale location. Minn. Stat. § 282.02 was amended to allow a county to hold a tax-forfeited land sale in any county facility other than the courthouse as long as proper notice is given. Effective for sales of tax-forfeited property that occur on or after August 1, 2017.

Personal property on tax-forfeited land. Minn. Stat. § 282.04, subd. 2, was amended to permit the county auditor to sell or dispose of personal property remaining on tax-forfeited land after the certificate of forfeiture is recorded. The county auditor is required to make reasonable efforts to provide 28 days' notice of the sale or disposal of the property to the former owner, taxpayer, and any occupants at the time of forfeiture. The county may contract with a third party to assist with the removal, disposal, or sale of the personal property. Effective May 31, 2017.

Repurchase requirements. Minn. Stat. §§ 282.241, subd. 1, and 282.322, were amended to reduce the repurchase time frame for nonhomestead property from one year to six months from the date of forfeiture. Effective January 1, 2018.

Forfeited lands list. Minn. Stat. § 282.322 was amended to update language related to county tax forfeited land lists for clarity. Effective January 1, 2018.

Annexation order requirements. Minn. Stat. § 414.09, subd. 2, was amended to remove the requirement that the Office of Administrative Hearings send copies of municipal boundary adjustment orders to the Department of Revenue. Effective May 31, 2017.

Metropolitan transit; cross-reference. Minn. Stat. § 473.39, subd. 1, was amended to correctly reference language in Minn. Stat. § 473.446. Effective August 1, 2017. 2017 Minn. Laws ch. 40, art. 1, § 117.

Early termination of agricultural preserve. Minn. Stat. § 473H.09 was amended by allowing the termination of a property's enrollment in the metropolitan agricultural preserves program upon the death of an owner of the property. Upon termination, the property is subject to additional taxes equal to 50 percent of the taxes levied in the current year. Effective July 1, 2017.

Allowed commercial and industrial operations. Minn. Stat. § 473H.17, subd. 1a, was amended to allow wireless communication equipment and structures to be installed on property within an agricultural preserve. Effective May 31, 2017.

County program aid population. Minn. Stat. § 477A.0124, subd. 2, was amended to modify certain population based definitions to accurately reflect the data used in calculating county program aid. Effective May 31, 2017.

Town aid. Minn. Stat. § 477A.013, subd. 1, was amended to reflect the correct usage of the term "ratio" for town aid purposes and by adding language clarifying that the data to be used is the

most recently available data as of January 1 of the year in which the aid is calculated. Effective May 31, 2017.

City email address. Minn. Stat. § 477A.013 was amended to add a new subd. 14, that requires cities receiving aid to register an official electronic mail address with the Commissioner for use in communicating with the city. Effective for aids payable in 2018 and thereafter.

Aquatic invasive species prevention aid. Minn. Stat. § 477A.19 was amended by adding a new subdivision 3a, to require the commissioner of natural resources to certify the number of watercraft launches and watercraft trailer parking spaces in each county for purposes of administering aquatic invasive species prevention aid. Effective for aids payable in 2018 and thereafter.

Aquatic invasive species prevention guidelines. Minn. Stat. § 477A.19 was amended by adding a new subdivision 3b, to require the commissioner of natural resources to certify to the commissioner of revenue the counties that have complied with the requirement to establish guidelines for addressing aquatic invasive species. Effective for aids payable in 2018 and thereafter.

Eviction grounds. Minn. Stat. § 504B.285, subd. 1, was amended to authorize evictions on real property after the redemption period expires on a property bid in for the state. Effective May 31, 2017.

Tax-forfeited property contracts for deed. Minn. Stat. § 559.202, subd. 2, was amended to clarify that the five-day rescission period for sales made by contracts for deed does not apply to sales of tax-forfeited property. Effective for sales of tax-forfeited land occurring May 31, 2017 and thereafter.

Carlton County recreation levy. 1996 Minn. Laws ch. 471, art. 3, § 51, was amended to allow the Carlton County board to levy up to \$1,500 annually for recreational purposes. The levy applies to taxes payable in 2018 and thereafter. Effective the day after compliance with local approval requirements in Minn. Stat. § 645.021, subs. 2 and 3.

Property tax exemption for public utility project. 2014 Minn. Laws ch. 308, art. 9, § 94, was amended to restore an exemption for personal property of an electric generating facility that was inadvertently repealed in 2014. The provision is revived and reenacted. Effective retroactively from May 20, 2014.

Soccer stadium property tax exemption. An uncodified provision exempts from taxation any real or personal property from taxation used as a stadium for a Major League Soccer team in the city of St. Paul. Effective upon approval by the St. Paul City Council and compliance with Minn. Stat. § 645.021.

Repealer.

- (a) Repealed Minn. Stat. § 281.22, which is an obsolete provision that provided a one-year notice period for the expiration of redemption for properties bid in for the state prior to 1935. Effective May 31, 2017.
- (b) Repealed 2015 Minn. R., part 8100.0700 (Equalization) because it provides an equalization formula that will be obsolete due to the new provision in chapter 273 that provides that values shall be equalized to the level established by the State Board of Equalization. Effective for assessment year 2017 and thereafter.

AIDS AND CREDITS

Agricultural homestead market value credit calculation. Minn. Stat. § 273.1384, subd. 2, was amended to compute the agricultural homestead market value credit for fractional homesteads on the amount of agricultural credit market value that corresponds to the taxpayer's fraction of ownership, relative to the total number of owners. Effective for taxes payable in 2019 and thereafter.

School building bond agricultural credit. Minn. Stat. § 273.1387 was enacted to provide for a property tax credit on all agricultural land and buildings equal to 40 percent of the tax on the property attributable to school district bonded debt levies. Effective beginning with taxes payable in 2018.

Payment to school districts. Minn. Stat. § 273.1392, as amended by 2017 Minn. Laws ch. 40, art. 1, § 93, was amended to provide for state payment of the school building bond agricultural credit to school districts. Effective beginning with taxes payable in 2018.

Computation of net property taxes. Minn. Stat. § 273.1393 was amended to provide for the school building bond agricultural credit in the computation of net property taxes. Effective beginning with taxes payable in 2018.

Notice of proposed property taxes. Minn. Stat. § 275.065, subd. 3, was amended to include the school building bond agricultural credit on the Truth-in-Taxation statement. Effective beginning with taxes payable in 2018.

School district levies; special requirements. Minn. Stat. § 275.07, subd. 2, was amended to define which school levies are considered debt service levies in computing the school building bond agricultural credit. Effective beginning with taxes payable in 2018.

Computation of tax rates. Minn. Stat. § 275.08, subd. 1b, was amended to require the county auditor to determine a school debt tax rate for each school district so that the school building bond agricultural credit may be calculated. Effective beginning with taxes payable in 2018.

Contents of tax statements. Minn. Stat. § 276.04, subd. 2, was amended to include the school building bond agricultural credit on the property tax statement. Effective beginning with taxes payable in 2018.

Additional border city allocations. Minn. Stat. § 469.169 was amended to add a new subd. 20, allocating an additional \$3,000,000 for tax reductions to border city enterprise zones in cities along the western border of Minnesota. Effective July 1, 2017.

Sparsity Adjustment. Minn. Stat. § 477A.011, subd. 34, was amended to add a sparsity adjustment factor to medium and small city revenue need formulas. The transition provision between the medium and large city formulas was also modified so the transition range is now between 10,000 and 11,000 population. Effective for aids payable in calendar year 2018 and thereafter.

Minn. Stat. § 477A.011, subd. 45, was amended to add a sparsity adjustment for cities with a population of less than 10,000 that equals 200 for cities with a population density of less than 30 per square mile. Effective for aids payable in calendar year 2018 and thereafter.

County tax-base equalization aid. Minn. Stat. § 477A.0124, subd. 4, was amended to change the tax-base equalization aid factor parameters, and provides that the population based parameter increases by the statewide growth in net tax capacity per capita beginning with aids payable in 2019. Specific additional aid amounts to Anoka and Washington counties were repealed. The minimum amount of tax-base equalization aid for each county is equal to the greater of: (1) 0.27 percent of the total statewide appropriation for tax base equalization aid; or (2) 95 percent of the county's tax base equalization aid in the previous year. If the aid payable due to the minimum aid formula exceeds the total amount available under statute, the distribution for counties that exceed their minimum aid must be reduced proportionately. Effective for aids payable in 2018 and thereafter.

County program aid calculation data. Minn. Stat. § 477A.0124 was amended to add a new subd. 7, that creates a lag in the data that is used in calculating county program aid, such that the data to be used is the most recently available data as of January 1 of the year in which the aid is calculated. Effective beginning with aid payable in 2018.

Out-of-home placement aid. Minn. Stat. § 477A.0126 was enacted providing aid for counties and tribes for the out-of-home placement costs of children under the Indian Child Welfare Act. Appropriates \$5 million annually from the general fund for the aid payments. Effective beginning with aids payable in 2018, except the appropriation is effective beginning with fiscal year 2019.

City formula aid. Minn. Stat. § 477A.013, subd. 8, was amended to change the city formula aid to equal the product of (1) the difference between a city's unmet need and its certified aid in the previous year before any aid adjustments, and (2) the aid gap percentage. Effective for aids payable in calendar year 2018 and thereafter.

City aid distribution. Minn. Stat. § 477A.013, subd. 9, was amended to provide that if a city's certified aid before adjustments for the previous year is less than its current unmet need, the city's aid distribution equals the sum of: (1) the previous year's certified aid before adjustments, (2) the city formula aid, and (3) the aid adjustment. If a city's certified aid before adjustments is equal to or greater than its current unmet need, the city's total aid equals the greater of (1) its unmet need plus any aid adjustment; or (2) the previous year's certified amount, minus the lesser of the city population multiplied by \$10 or five percent of its net levy in the year prior to the aid distribution. Effective for aids payable in calendar year 2018 and thereafter.

Payment dates. Minn. Stat. § 477A.015 was amended to provide that local government aid to cities is to be made in three installments for aids payable in 2019 only. Effective beginning with aids payable in 2019.

Aid reductions for operating an unauthorized diversion program. Minn. Stat. § 477A.0175 was enacted to provide for a reduction in local government aid to a county or city that operated an unauthorized pretrial diversion program. The reduction equals the amount of fees paid by participants into the program for the years in which the program operated. A court must send any order that enjoins a county or city from operating such a program to the state auditor, who calculates the aid reduction amount and notifies the Commissioner of Revenue of the amount. The reduction applies to the first local government aid payment after receiving notification of the reduction amount. Effective May 31, 2017, and applies beginning with aid payments under Minn. Stat. § 477A.015, in calendar year 2018.

Local government aid increase. Minn. Stat. § 477A.03, subd. 2a, was amended to provide for an increase of \$15 million in local government aid to cities for aids payable in 2018 and thereafter. Effective for aids payable in calendar year 2018 and thereafter.

County program aid increase. Minn. Stat. § 477A.03, subd. 2b, was amended to provide for an increase of \$25.5 million in county program aid, all of which applies to the tax-base equalization formula. \$3 million of the total appropriation for county program aid in 2018 through 2024 is allocated to Beltrami County to provide for supplemental payments to the county under 2014 Minn. Laws ch. 150, art. 4, § 6. Effective for aids payable in 2018 and thereafter.

Maximum effort loan aid. Minn. Stat. § 477A.09 was enacted to provide for payments over a five-year period to school districts that repaid the outstanding principal on their maximum effort capital loans. The aid payment equals one-fifth of the amount of interest paid on the loan. Effective for fiscal years 2018 to 2022.

Payments for other natural resources land. Minn. Stat. § 477A.12, subd. 1, was amended to increase payments in lieu of taxes from \$1.50 to \$2 per acre for other natural resources land. Effective for payments made in calendar year 2018 and thereafter.

Lake Vermilion-Soudan Underground Mine State Park payments. Minn. Stat. § 477A.17 was amended to provide that the appraised value of state-owned land within the Lake Vermilion-Soudan Underground Mine State Park cannot be less than the 2010 appraised value of the land. The Department of Natural Resources must recertify the 2017 aid amounts to the Department of

Revenue by June 15, 2017. Effective beginning with aids payable in 2017.

Riparian protection aid. Minn. Stat. § 477A.21 was enacted to provide aid annually to counties and watershed districts for the purpose of enforcing and implementing the riparian protection and water quality practices required under Minn. Stat. § 103F.48. For areas where neither the county nor a watershed district has affirmed jurisdiction, the aid is given to the Board of Water and Soil Resources. Effective May 31, 2017, and applies to aids payable in 2017 and thereafter.

Riparian protection aid appropriation. Minn. Stat. § 477A.22 was enacted to provide an appropriation of \$6 million in fiscal year 2018 and \$8 million in each fiscal year thereafter from the general fund for riparian protection aid payments. These amounts are in addition to other appropriations for the same purpose. Effective for aids payable in 2017 and thereafter.

Base year formula aid for newly incorporated city. New uncodified provision provided that a city that incorporated on October 13, 2015, and first qualified for local government aid to cities in 2017, has a 2017 certified aid of \$95 per capita. The city affected is Rice Lake. Effective for aids payable in 2018.

City aid penalty forgiveness. New uncodified provisions provided that the cities of Oslo, Dundee, Jeffers, and Woodstock, received their respective portions of aid previously withheld for noncompliance with state auditor reporting requirements. The aid amounts are to be paid on or before July 20, 2017. Effective May 31, 2017.

Taylor's Falls development zone. An uncodified provision authorizes the city of Taylor's Falls to exercise border city development powers and allocates up to \$50,000 for state tax reductions in the zones that the city creates. Effective July 1, 2017 and local approval is not required.

Report on rent constituting property tax. An uncodified provision requires the commissioner of revenue to prepare a report by March 1, 2018, on the percentage of rent that constitutes property taxes that is used when determining the renter property tax refund. Effective May 31, 2017.

Appropriation; fire remediation grants. New uncodified provision appropriated \$1,392,258 to the commissioner of public safety for grants relating to costs due to a September 2016 fire in the city of Melrose. The grants were allocated as \$1,296,458 to the city of Melrose and \$95,800 to Stearns County. Effective May 31, 2017.

Appropriation; Wadena County grant. New uncodified provision appropriated \$600,000 in both fiscal years 2018 and 2019 for a grant to Wadena County. The grant will be paid on July 20 of each fiscal year. Effective July 1, 2017.

Repealer.

- (a) Repealed Minn. Stat. § 477A.0124, subd. 5, which is a transition aid component of county program aid. Effective beginning with aids payable in 2018.
- (b) Repealed Minn. Stat. § 477A.20, which provided for debt service aid to the Lewis and Clark Joint Powers Board. Effective May 31, 2017.

LOCAL DEVELOPMENT

Workforce housing TIF district. Minn. Stat. §§ 469.174 to 469.176 were amended to provide for workforce housing tax increment financing (TIF) districts. Such districts must be located outside of the metropolitan area, and a city must make several findings in order to approve a workforce housing TIF district. The authority to certify workforce housing TIF districts expires on June 30, 2027. Effective for districts for which the request for certification was made after June 30, 2017.

Income limits; Minnesota Housing Finance Agency challenge program. Minn. Stat. § 469.1761 was amended to add a new subd. 5, allowing higher income limits for housing projects receiving a loan or grant from the Minnesota Housing Finance Agency challenge program. Effective for districts for which the request for certification was made after June 30, 2017.

Definition of increment under five-year and pooling rules. Minn. Stat. § 469.1763, subds. 1 to 3, were amended to modify the definition of increment under the five year-rule and pooling rule to exclude increments that are repaid by developers. Effective May 31, 2017.

Interfund loans. Minn. Stat. § 469.178, subd. 7, was amended to modify interfund loan provisions to make it easier for cities and development authorities to make and document interfund loans. Effective May 31, 2017, and applies to all districts, regardless of when the request for certification was made.

Tax increment financing; City of Burnsville. 2008 Minn. Laws ch. 154, art. 9, § 21, subd. 2, was amended to extend the four-year rule to nine years for any district, including economic development districts, in the city of Burnsville. The authority to approve and establish TIF districts is extended two years. Effective the day after compliance with local approval requirements in Minn. Stat. § 645.021, subds. 2 and 3.

Tax increment financing; City of Duluth. 2009 Minn. Laws ch. 88, art. 5, § 17, as amended by 2010 Minn. Laws ch. 382, § 84, was amended to include four additional parcels in the Seaway Port Authority of Duluth TIF district, and provided authority for the establishment of an interfund loan program, the proceeds of which may be used for any permitted use for the district. Effective the day after compliance with local approval requirements in Minn. Stat. § 645.021, subds. 2 and 3.

Tax increment financing; City of Edina. 2014 Minn. Laws ch. 308, art. 6, § 8, subd. 1, was amended to extend the authority to request TIF district certification by two and one-half years. Effective the day after compliance with local approval requirements in Minn. Stat. § 645.021, subds. 2 and 3.

Tax increment financing; City of Maple Grove. 2014 Minn. Laws ch. 308, art. 6, § 9, was amended to allow the city to designate only part of the defined project area, and may include any additional property to allow properties included in the TIF district to consist of complete parcels. The city was also permitted to use increments from a soil deficiency district to acquire parcels

and for other infrastructure costs in the project area if the acquisition or infrastructure is for a qualified development. Effective the day after compliance with local approval requirements in Minn. Stat. § 645.021, subs. 2 and 3.

Tax increment financing; City of Anoka. An uncodified provision changed the Greens of Anoka redevelopment TIF district certification date to June 29, 2012, rather than July 2, 2012, to extend the five-year rule to eight years. Effective the day after compliance with local approval requirements in Minn. Stat. § 645.021, subs. 2 and 3.

Tax increment financing; City of Coon Rapids. An uncodified provision allowed the city of Coon Rapids to collect tax increment from District 6-1 Port Riverwalk through December 31, 2038. Effective upon compliance with local approval requirements in Minn. Stat. §§ 469.1782, subd. 2, and 645.021, subs. 2 and 3.

Tax increment financing; City of Cottage Grove. An uncodified provision extended the five-year rule to January 1, 2017, for the Gateway North TIF district in Cottage Grove. Effective the day after compliance with local approval requirements in Minn. Stat. § 645.021, subs. 2 and 3.

City of Edina; approval of 2014 special law. An uncodified provision allowed 2014 Minn. Laws ch. 308, art. 6, § 8, to be approved so long as the city of Edina filed a certificate of approval with the Secretary of State by December 31, 2016, and complied with local approval requirements. Effective May 31, 2017.

Tax increment financing; City of Moorhead. An uncodified provision deemed the First Avenue North (Central Corridors) TIF district to be certified on June 29, 2012, rather than its actual certification date of July 12, 2012, to extend the five-year rule to eight years. Effective the day after compliance with local approval requirements in Minn. Stat. § 645.021, subs. 2 and 3.

Tax increment financing; City of Richfield. An uncodified provision allowed the city of Richfield and the Richfield Housing and Redevelopment Authority to extend the duration limit of the Cedar Avenue TIF District by ten years. Effective upon compliance with local approval requirements in Minn. Stat. §§ 469.1782, subd. 2, and 645.021, subs. 2 and 3.

Tax increment financing; City of Richfield. An uncodified provision allowed the five-year rule to be extended to seven years for the Lyndale Gardens TIF District. Effective the day after compliance with local approval requirements in Minn. Stat. §§ 469.1782, subd. 2, and 645.021, subs. 2 and 3.

Interfund loans City of South St. Paul. An uncodified provision allowed the South St. Paul Economic Development Authority to retroactively approve a previously established interfund loan for the Fourth Avenue Village Tax Increment District if local approval requirements are met. Effective May 31, 2017, without compliance with local approval requirements under Minn. Stat. § 645.023, subd. 1, para. (a).

Tax increment financing; City of St. Louis Park. An uncodified provision increased the permitted percentage of increments that may be expended on activities outside the Elmwood

Village TIF District to 30 percent. Effective the day after compliance with local approval requirements in Minn. Stat. § 645.021, subs. 2 and 3.

Tax increment financing; City of St. Paul. An uncodified provision allowed the city of St. Paul to waive receipt of increment for the Ford Site Redevelopment TIF District for the first four years of increment or increments derived from taxes payable in 2023, whichever occurs first. The date of certification for the district is January 2 of the assessment year for which increment is first received under the waiver. Effective July 1, 2017, without compliance with local approval requirements in Minn. Stat. § 645.023, subd. 1, para. (a).

Tax increment financing; Washington County. An uncodified provision permitted TIF districts to be established in the city of Newport under special laws. The authority to establish such districts expires December 31, 2027. Effective upon compliance with local approval requirements in Minn. Stat. § 645.021, subs. 2 and 3, and applies retroactively to a redevelopment district in the project area approved in 2016.

Tax increment financing; City of Wayzata. An uncodified provision allowed tax increment from the Widsten TIF district to apply to any project contemplated by the original plan for the district, including a parking ramp. Effective upon compliance with local approval requirements in Minn. Stat. § 645.021, subs. 2 and 3.

SUSTAINABLE FOREST INCENTIVE ACT

Purpose statement. Minn. Stat. § 290C.01 was amended to emphasize the economic and ecological benefits of the Sustainable Forest Incentive Act (SFIA). Effective May 31, 2017.

Application. Minn. Stat. § 290C.02, subd. 1, was amended to apply the definitions section to all of the sections of the SFIA chapter. Effective May 31, 2017.

Claimant definition. Minn. Stat. § 290C.02, subd. 3, was amended by removing language requiring a buyer of enrolled land to notify the Commissioner of Revenue of the sale or transfer of the property. Also changed the date by which certain claimants must provide written notice to the commissioner of the expiration of an auxiliary forest contract or land trade with a governmental unit. Effective for certifications and applications due in 2018 and thereafter.

Forest land. Minn. Stat. § 290C.02, subd. 6, was amended to remove the prohibition on land exceeding 60,000 acres that is subject to a single conservation easement from participation in the program. Land with a paved trail under an easement, lease, or license is allowed to qualify as forest land. Effective for applications made in 2018 and thereafter, except that the repeal of the prohibition of land exceeding 60,000 acres that is subject to a single conservation easement is effective retroactively for payments due under Minn. Stat. § 290C.08, beginning for payments due to be made in 2014. A landowner must meet certain requirements to be eligible for the retroactive payments.

Eligibility requirements. Minn. Stat. § 290C.03 was amended to add eligibility requirements related to nonmotorized access, plan registration, tax parcel property classification restrictions, exclusions, and restrictions on tax parcel eligibility based on enrollment in certain programs. Effective for certifications and applications due in 2018 and thereafter.

Applications. Minn. Stat. § 290C.04 was amended to extend the application filing date by one month and add application requirements regarding registration numbers, covenant termination, and recording of eligible areas. Also provided for electronic notifications between the commissioners of revenue and natural resources. Effective for certifications and applications due in 2018 and thereafter.

Annual certification. Minn. Stat. § 290C.05 was amended to define the claimant as the current property owner for certification purposes. Also required the commissioner of revenue to develop and provide reporting and certification forms. Effective for certifications and applications due in 2018 and thereafter.

The commissioner of natural resources is also required to conduct annual monitoring of certain claimants. Effective July 1, 2019.

Length of covenant. Minn. Stat. § 290C.055 was amended to provide for covenants with a minimum duration of 8, 20, or 50 years. Effective for certifications and applications due in 2018 and thereafter.

Calculation of incentive payment. Minn. Stat. § 290C.07 was amended to provide that the annual payment for each acre of land enrolled in the program equals a percentage of the property tax that would be paid on the land determined by using the previous year's statewide average total tax for all taxes levied within townships or unorganized territories, the estimated market value per acre, and a class rate of one percent. The calculated payment may not increase or decrease by more than ten percent as compared to the payment received the previous year. In no case may the payment be less than the amount paid to the claimant for land enrolled in 2017. An eligible claimant electing to change the length of the covenant on enrolled land on or before May 15, 2019, must receive payment in the amount corresponding to the new covenant length. Claimants allowing public access on enrolled land receive an additional payment. Effective for calculations made in 2018 and thereafter.

Annual payment. Minn. Stat. § 290C.08, subd. 1, was amended to require, by September 15 of each year, the commissioner of natural resources to certify to the commissioner of revenue the lands eligible to receive an incentive payment. Effective for certifications and applications due in 2018 and thereafter.

Withdrawal procedures. Minn. Stat. § 290C.10 was amended to allow early withdrawal from the program without penalty when (1) a nonprofit entity acquires a conservation easement on the property, or (2) the land is subject to a fee or easement acquisition or a lease to the state or a political subdivision for the purpose of a paved trail. Effective May 31, 2017.

Language was amended throughout the section to conform to other changes in the article. Such changes are effective for notifications made in 2018 and thereafter.

Transfer of ownership. Minn. Stat. § 290C.101 was enacted requiring notice to the commissioner of revenue if land enrolled in SFIA is transferred to a new owner. The commissioner must notify the new owner of SFIA procedures and impact, and require the new owner to file information with the commissioner of natural resources prior to receiving any payments. If the new owner does not submit information within two years of the transfer, the land is terminated from the program. Effective for transfers of ownership after June 30, 2017.

Penalties for removal. Minn. Stat. § 290C.11 was amended to apply any applicable penalties to the current owner of enrolled land. The penalty is calculated based on the number of years the land has been bound by the covenant, the covenant length, and the estimated market value of the land. Effective for certifications and applications due in 2018 and thereafter.

Determination of appeal. Minn. Stat. § 290C.13, subd. 6, was amended to require the Commissioner of Revenue to consult with the commissioner of natural resources on certain SFIA appeals. Effective May 31, 2017.

SFIA transition. An uncodified provision allowed current owners of enrolled lands to change the length of their covenant through May 15, 2019. Such owners must comply with the changes in this act by the time certifications are due in 2019. Land owners with land enrolled in SFIA on or before December 31, 2017, may withdraw land subject to a conservation easement on which public access is not required so long as the total acreage of the land withdrawn is 1,920 acres or less. Effective May 31, 2017.

Appropriation. An uncodified provision appropriated \$215,000 in FY18, \$312,000 in FY19 and \$312,000 in FY20 and thereafter to the commissioner of natural resources to administer the article. Effective May 31, 2017.

Repealer. Repealed Minn. Stat. § 290C.02, subs. 5 and 9, that contain obsolete definitions relating to current use value, which is no longer used in the administration of SFIA. Effective May 31, 2017.