

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3280

DATE: April 14, 2008

Version: First Engrossment

Authors: Dill

Subject: Expedited Land Exchanges

Analyst: Janelle Taylor

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This bill would provide an expedited process for the exchange of land between the state and local units of government. The Department of Natural Resources is requesting these changes.

Section

1 Expedited exchanges of land involving the state and governmental subdivisions of the state. Adds § 94.3495.

Subd. 1. Purpose and scope. States that the purpose of this section is to expedite the exchange of public land ownership and that the section applies to exchanges of land between the state and a governmental subdivision of the state.

Subd. 2. Classes of land; definitions. Classifies the lands that may be involved in expedited land exchanges under this section into three classes:

- (1) Class 1 land, which includes Class A land, except for school trust lands and university land granted by acts of Congress, (Class A land includes all land owned by the state and controlled or administered by the DNR);
- (2) Class 2 land, which includes Class B land (tax-forfeited land); and
- (3) Class 3 land, which includes all land owned in fee by a governmental

Section

subdivision of the state.

Subd. 3. Valuation of land. Paragraph (a) states that all land valuations shall be determined by: the commissioner for the exchange of Class 1 land for Class 2 or 3 land; and by the county board for the exchange of Class 2 land for Class 3 land. Allows the parties of a land exchange to have the land appraised, use the valuation process for minimal value acquisitions provided under § 84.0272, subdivision 3, or obtain a market analysis from a qualified real estate broker. Requires the merchantable timber to be determined and considered in the valuation of lands.

Paragraph (b) requires lands exchanged under this section to be only for lands of at least “substantially equal value” as defined in § 94.343, subdivision 3, paragraph (b), and states that no payment is due if the lands are of substantially equal value but are not the same value.

Subd. 4. Title. Requires that the title to land be examined as necessary to determine that the title is good and allows the parties to the exchange to utilize title insurance.

Subd. 5. Approval by Land Exchange Board. Requires all land exchanges under this section to receive unanimous approval of the Land Exchange Board.

Subd. 6. Conveyance. Requires the conveyance of Class 1 land to be made by deed executed by the commissioner of natural resources. Requires the conveyance of Class 2 land to be made by deed executed by the commissioner of revenue. Requires the conveyance of Class 3 land to be made by deed executed by the governing body. Establishes procedures for delivering the deeds in various situations and requires the deeds to be recorded in the county where the lands lie.

Subd. 7. Reversionary interest; mineral and water power rights and other reservations. Requires the deed for any land exchanged under this section to include a reverter that provides that the land automatically reverts back to the conveying governmental unit if: the land is sold or otherwise transferred without prior written approval within 40 years of the conveyance. States that Class 1 lands are subject to the reservation of mineral, water, and other rights and easements directed by the commissioner. States that Class 2 lands are subject to the reservation of the same rights and easements as required by the sale of tax-forfeited lands and others determined by the county board and approved by the commissioner. States that Class 3 lands are subject to the reservation of the mineral rights.

Subd. 8. Land status. States that land received in exchange for Class 1 land is subject to the same trust and status as the land given in the exchange. States that land received in exchange for Class 2 land is subject to a trust in favor of the government subdivision where it lies and all laws related to tax-forfeited land. States that land received in exchange for Class 3 land has the same status as the land given in exchange.