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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-FIFTH  
SESSION

**HOUSE FILE No. 2862**

February 14, 2008

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The bill was read for the first time and referred to the Committee on Environment and Natural Resources

1.1 A bill for an act  
1.2 relating to state lands; limiting acquisition of state-owned land; requiring  
1.3 payment of real estate taxes on purchased state land; proposing coding for new  
1.4 law in Minnesota Statutes, chapter 94.

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

1.6 Section 1. **[94.015] ACQUISITION AND SALE OF STATE-OWNED LAND.**

1.7 Subdivision 1. **No net gain.** No state department or agency may acquire a fee title  
1.8 interest in land by gift, purchase, or eminent domain if the acquisition results in a net gain  
1.9 of land owned by the state, according to the inventory of state-owned land maintained  
1.10 under section 16B.245.

1.11 Subd. 2. **Status as taxable property.** (a) Any surplus land sold or conveyed by the  
1.12 state must be subject to taxation under chapter 272. Except as provided in paragraph (b), a  
1.13 person that acquires land from the state must agree to pay real estate taxes on the property,  
1.14 regardless of any tax-exempt status otherwise granted in statutes.

1.15 (b) A person that is exempt from taxation under the Minnesota Constitution, article  
1.16 X, section 1, must enter into an agreement with the county in which the land is located to  
1.17 make payments in lieu of taxes.

1.18 (c) Status as taxable property runs with the land and any new owner to whom the  
1.19 land is subsequently sold or conveyed is subject to the same terms as the owner acquiring  
1.20 title under this subdivision.

1.21 Sec. 2. **EFFECTIVE DATE.**

1.22 Section 1 is effective June 30, 2008.