

August 9, 2024

Cheryl Kelley-Dobie  
Regional Operations Supervisor  
DNR Lands and Minerals  
2115 Birchmont Beach Rd, NE  
Bemidji, MN 56601

Dear County Tax Authority,

As you may be aware, the 2024 legislative session changed the laws governing the way Minnesota counties and the Department of Natural Resources (DNR) must manage tax forfeit properties ([Laws of Minnesota 2024, Chapter 127, Article 70](#)). This would include both the surface and the mineral estates. The DNR is working with the Association of Minnesota Counties (AMC), Hennepin County legal staff, the Department of Revenue, and DNR legal staff to clarify a process to describe the DNR's role in managing properties to be withheld from sale, minerals payments, and claims for minerals valuation and additional payments. This letter is not intended to address all of those issues, but instead help define the process moving forward, particularly when it comes to parcels that may meet the criteria for being withheld from sale by the DNR.

In the past, counties referenced instructions found on the DNR's [Tax Forfeited Land Reviews](#) webpage for tax forfeited parcels that could be eligible for withholding from sale. The statutory language requiring county review and process for submittal has not changed. Please continue to assess forfeited properties for eligibility for withdrawal using the criteria listed below and only send those properties that either meet one of the below criteria to DNR Lands and Minerals (LAM) regional managers. See web site for names and email information for [DNR LAM regional managers](#). For properties that you are uncertain of, please consult with your county attorney.

We understand that there are probably a lot of questions regarding severed minerals, special circumstances and other aspects of the new tax forfeiture legislation. DNR staff are working in the background to develop a Q&A section for our webpage, in addition to updating the site to reflect recent (and not so recent) changes. Please use this document as interim guidance until we get the website updated. As a reminder, the recent legislative changes apply to foreclosures on or after 01 January 2024. Parcels that forfeited before 01 January 2024 have different requirements and fall into 3 buckets.

**Bucket 1: Forfeiture occurred prior to 2024 AND prior to:**

- **August 16, 2012 for Hennepin County;**
- **June 2, 2016 for St. Louis County; or**
- **June 23, 2016 for all other counties.**

The county will send DNR-LAM regional staff the forfeiture list showing only those properties which fit the categories for withdrawal of sale as they existed prior to the tax forfeiture law change in 2024:

1. Standing Timber: [Minn. Stat., sec. 282.01, subd. 3](#)
2. Waterfront: [Minn. Stat., sec. 282.018, subd. 1](#)
3. State Park: [Minn. Stat., sec. 85.012, subd. 1](#) and State Recreation Area: [Minn. Stat., sec. 85.013, subd. 1](#)
4. Non-forested Marginal Land and Wetland: [Minn. Stat., secs. 103F.535](#) and [282.018, subd. 2](#)
5. Memorial Forest: [Minn. Stat., sec. 459.06, subd. 3](#)
6. Mineral Lease or Mining Unit: [Minn. Stat., sec. 282.01, subd. 8](#)
7. Peat: [Minn. Stat., sec. 92.461](#)
8. Land Classified as "Conservation": [Minn. Stat., sec. 282.011, subd. 1](#)
9. Red Lake Game Preserve and other Consolidated Conservation Areas: subject to above requirements
10. Trust Fund Lands and Other DNR Administered Lands: [Minn. Stat., sec. 92.214](#)

DNR informs the county of parcels which are to be withdrawn from sale or transferred to DNR control. There is no condemnation of the lands by the DNR and no payment to the county for those lands which are to be transferred to DNR administration by statute.

**Bucket 2: Forfeiture falls within settlement dates for the county (see below) AND county is participating in the settlement:**

- **August 16, 2012 – December 31, 2023 for Hennepin County;**
- **June 2, 2016 – December 31, 2023 for St. Louis County; or**
- **June 23, 2016 – December 31, 2023 for all other counties.**

The county is to make a good faith effort to sell all properties forfeited within the time frame above. Exceptions to sale are lands classified as conservation lands, lands part of a rehabilitation program, and those lands in which title is no longer held in trust by the state for the taxing districts.

The session law appears to supercede the requirement to obtain DNR approval of sale parcels under Minnesota Statutes, sections 282.018 and DNR withdrawal of parcels under Minnesota Statutes, sec. 282.01, subd. 8.

Under Minnesota Statutes, lands forfeited within the boundaries of state parks and state recreation areas are automatically transferred to the DNR.

**\*\* County Auditor should check with its County Attorney as to participation in the settlement and that the Auditor is following the proper forfeiture procedures.**

**Bucket 3: Forfeiture occurred after January 1, 2024:**

The new tax forfeiture law applies to forfeitures after January 1, 2024 and require a mandatory public sale by the county auditor.

There are just a few parcel types that require DNR review for withholding from sale. **Please be advised the criteria for parcels requiring review have changed.** The updated characteristics are as follows:

1. **State Park** – parcels within the boundary of a state park are withdrawn from sale per [Minn. Stat., sec. 85.012, subd. 1.](#)
2. **State Recreational Area** – parcels within the boundary of a state recreation area as defined by session laws are withdrawn from sale per [Minn. Stat., sec. 85.013, subd. 1.](#)
3. **Mineral Lease or Mining Unit** – Lands or stockpiled materials subject to state mineral lease or designated as a mining unit by the DNR commissioner may be withheld from sale per [Minn. Stat., sec. 282.01, subd. 8.](#)
4. **Waterfront** – Parcels bordering on or adjacent to meandered lakes and other public waters and watercourses. The DNR commissioner must approve sale of parcel with waterfront of 150 feet or less. Parcels with waterfront of more than 150 feet are withdrawn from sale; however, a county is permitted to sell such a property upon written authorization from the DNR commissioner per [Minn. Stat., sec. 282.018, subd. 1.](#)

Counties should not be sending DNR their full forfeiture list.

DNR- LAM regional staff will review the properties and consult with DNR divisions to determine whether any of the lands are to be withdrawn from sale. If DNR withdraws a property from sale, DNR will acquire that parcel through a condemnation proceeding in district court. The acquiring DNR division will pay for the parcel according to the condemnation award and all court costs.

DNR-LAM regional staff have 30 days to review the properties and to respond to the county as to whether any lands will be withdrawn from sale by the department.

We advise you to consult with your county attorney to assure compliance with the new law M.S. 282.005. If a claim is made to the county alleging the value of iron-bearing stockpiles, minerals and mineral rights exceeds \$50, the DNR must determine the value of those rights. If the value exceeds \$50, the claimant is entitled to payment from the DNR equal to the excess amount. For questions regarding minerals claims please contact Ted Anderson, DNR LAM (Lands and Minerals) Assistant Director, at 218-231-8488.

Sincerely,

/s/ Cheryl Kelley-Dobie

Cheryl Kelley-Dobie

Ec: Association of Minnesota Counties (AMC)