



Planning & Development Division
Planning & Economic Development Department

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Date: September 3, 2021
To: Planning Commission
From: Steven Robertson, Senior Planner
RE: PL 21-139, Reclassification of Tax Forfeit Parcels

St Louis County has requested city input on their proposal to reclassify a handful of tax forfeit parcels (less than a dozen) from conservation to non-conservation. City staff have already met and discussed this topic, and has a few recommendations. City staff will convene a short meeting of the tax forfeit subcommittee before the next regular Planning Commission meeting. A webex meeting invite will be sent to members of the Tax Forfeit Subcommittee prior to the upcoming regular Planning Commission meeting.

Draft Tax Forfeit Parcel Review Process

Background Information

Pursuant to Minnesota Statutes Section 282.01, Subdivision 1; all parcels of land becoming the property of the State of Minnesota in trust through forfeiture for nonpayment of real estate taxes are to be managed by the County in which they are located. The County Board is the body that makes the ultimate decision about the status and disposition of all tax forfeited lands. The County Land Department is a self-funded department that makes recommendations to the County Board and prepares parcels for sale. In rural areas, parcels with timber resources are held back from sale and managed for timber sales. In urban area, the County generally tries to sell tax forfeited land.

Classification

The first decision to make when a parcel is forfeited is its classification as “Conservation” or “Non-Conservation.” Lands classified “Conservation” are those properties for which there is potential for some public purpose. According to the statute, the goals of the classification/reclassification and listing process include: 1) Encouraging the most economical and efficient use of property for transportation, roads, water supply, drainage, sanitation, education and recreation. 2) Reducing local government taxes. 3) Conserving and developing local natural resources. 4) Encouraging suitable economic development.

Reclassification

Several times per year the County Board identifies tax forfeited land from the list that it feels is appropriate for sale, many times because a neighbor or someone else has inquired about it. Before these parcels can be sold, their status must be changed from “Conservation” to “Non-Conservation.”. The City is given notice of this reclassification and the opportunity to respond as to whether it agrees or disagrees with the reclassification. The City’s response, via resolution, must be sent to the County within 60 days of receiving the list. If the City disagrees with the reclassification, there is disagreement with the County as to whether or not the parcel should be prevented from being sold.

Free-Conveyance and Reconveyance

The last part of the tax forfeited land process involves land that the City identifies as being needed for some governmental purpose, such as a park or utility purpose. The City can apply for “free-conveyance” of the land and have a “use deed” conveyed to it, upon approval by the County Board. The request for the land must be for an “authorized governmental use” as define by the State Department of Revenue. When the City no longer needs the land for that purpose, it must “reconvey” the land to the State. When the parcel is reconveyed, the classification process described above commences. If a parcel is considered to be “park land,” it must also be reviewed and approved by the Parks Commission.