

A bill for an act

relating to natural resources; establishing a conservation easement monitoring fund; requiring a contribution to the fund and a statement of purpose for future conservation easements; proposing coding for new law in Minnesota Statutes, chapter 84C.

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

Section 1. **[84C.021] CONSERVATION EASEMENT PURPOSE STATEMENT.**

A conservation easement executed on or after July 1, 2008, must include a statement of the conservation purposes of the easement including the conservation attributes associated with the real property, and the benefit to the general public intended to be served by the restriction on uses of the real property subject to the conservation easement.

Sec. 2. **[84C.022] CONTRIBUTION REQUIRED.**

A holder of a conservation easement executed on or after July 1, 2008, that is purchased in whole or in part by funds appropriated by the legislature shall contribute \$. . . to the conservation easement monitoring fund established in section 84C.06 within . . . days of purchasing the easement. The commissioner of natural resources may waive this requirement for a holder of a conservation easement that demonstrates:

(1) a history of providing long-term conservation easement management, monitoring, and enforcement;

(2) the ability to fund long-term conservation easement management, monitoring, and enforcement for the easement, such as administering a fund similar to the fund established in section 84C.06; and

(3) that funds have or will be set aside on behalf of the easement for the purpose of conservation easement management, monitoring, and enforcement.

2.1 **Sec. 3. [84C.06] CONSERVATION EASEMENT MONITORING FUND.**

2.2 Subdivision 1. **Fund established.** A long-term conservation easement monitoring
2.3 fund is established as an account in the state treasury. The commissioner of finance
2.4 shall credit to the conservation easement monitoring fund the receipts authorized under
2.5 subdivision 2. The State Board of Investment shall ensure that the long-term conservation
2.6 easement monitoring fund's money is invested under section 11A.24. The principal of the
2.7 long-term conservation easement monitoring fund and any unexpended earnings must be
2.8 invested and reinvested by the State Board of Investment.

2.9 Subd. 2. **Fund receipts.** (a) Money in the long-term conservation easement
2.10 monitoring fund consists of:

2.11 (1) funds appropriated by the legislature;

2.12 (2) funds from local units of government or the federal government;

2.13 (3) funds from private foundations;

2.14 (4) funds from easement holders as required under section 84C.06;

2.15 (5) donations from easement landowners for monitoring and enforcing compliance
2.16 with conservation easements;

2.17 (6) donations from any other person; and

2.18 (7) interest earnings of the long-term conservation easement monitoring fund.

2.19 (b) Any appropriated funds not encumbered in the biennium in which they are
2.20 appropriated cancel and must be credited to the principal of the long-term conservation
2.21 easement monitoring fund.

2.22 Subd. 3. **Availability of funds for disbursement.** The amount appropriated each
2.23 year of a biennium, commencing on July 1 in each odd-numbered year and ending on and
2.24 including June 30 in the next odd-numbered year, may be up to . . . percent of the market
2.25 value of the long-term conservation easement monitoring fund on June 30 one year before
2.26 the start of the biennium. The commissioner of natural resources, the Board of Water and
2.27 Soil Resources, and the Legislative-Citizen Commission on Minnesota Resources shall
2.28 provide annual funding recommendations to the legislature for use of these funds.

2.29 Subd. 4. **Fund expenditures.** Money appropriated from the long-term conservation
2.30 easement monitoring fund must only be spent on the management, monitoring, and
2.31 enforcement of conservation easements to ensure that the purposes for conservation
2.32 easements, as outlined in section 84C.021, are met. Money from the long-term
2.33 conservation easement monitoring fund must not be expended to acquire conservation
2.34 easements.

1/11/08

Sec. --- **[DONATIONS CONNECTED TO REAL PROPERTY
ACQUISITION LIMITED.]**

Subdivision 1. Prohibition. A recipient of money under this act must agree not to request or receive a donation from the seller of an interest in real property, including the seller of an easement, in connection with the recipient's purchase of that interest with money appropriated in this act.

Subd. 2 Exceptions and conditions. This section does not prohibit any of the following:

(1) conveyance of an interest in real property for less than the appraised value, if the recipient of money under this act transfers the interest to the state, or as directed by a state agency, for the same value or a lower value;

(2) a seller's payment of reasonable transaction costs associated with a sale of an interest in real property, including reasonable costs for appraisals, legal fees, recording fees, and commissions paid to a licensed real estate agent; or

(3) a seller's payment of reasonable estimated costs that will be used by the recipient of money under this act for ongoing stewardship monitoring and enforcement specific to the interest in real property being acquired from the seller.

Subd. 3. Compliance and reporting. (a) A recipient of money under this act must report to the granting agency conveyances and payments specified in subdivision 2. Reports must be made at a time and in a manner specified by the granting agency.

(b) Compliance with this section is a condition of receiving funds under this act. An agreement providing funds with money appropriated in this act must ensure compliance with this section.