

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 1652**

(SENATE AUTHORS: SENJEM)

DATE  
03/01/2017

D-PG

OFFICIAL STATUS  
Introduction and first reading  
Referred to Environment and Natural Resources Policy and Legacy Finance

1.1 A bill for an act  
1.2 relating to taxation; sales and use; Sustainable Forest Incentive Act; modifying  
1.3 collection and refund provisions; allowing for disclosure of certain information  
1.4 and a collection agreement between the commissioner of revenue and the  
1.5 commissioner of the natural resources; modifying requirements for land enrolled  
1.6 in the Sustainable Forest Incentive Act; amending Minnesota Statutes 2016, sections  
1.7 84.82, subdivision 10; 84.922, subdivision 11; 86B.401, subdivision 12; 115A.1314,  
1.8 subdivision 1; 270B.14, by adding a subdivision; 290C.03; proposing coding for  
1.9 new law in Minnesota Statutes, chapters 290C; 297A; repealing Minnesota Statutes  
1.10 2016, sections 290C.02, subdivisions 5, 9; 290C.06.

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

1.12 **ARTICLE 1**

1.13 **SALES AND USE, AND SPECIAL TAXES**

1.14 Section 1. Minnesota Statutes 2016, section 84.82, subdivision 10, is amended to read:

1.15 Subd. 10. **Proof of sales tax payment; collection and refund.** (a) A person applying  
1.16 for initial registration of a snowmobile must provide a ~~snowmobile purchaser's certificate,~~  
1.17 ~~showing a complete description of the snowmobile, the seller's name and address, the full~~  
1.18 ~~purchase price of the snowmobile, and the trade-in allowance, if any. The certificate must~~  
1.19 ~~include information showing either~~ receipt, invoice, or other document to prove that:

1.20 (1) ~~that the sales and use tax under chapter 297A was paid or;~~

1.21 (2) ~~the purchase was exempt from tax under chapter 297A. The commissioner of public~~  
1.22 ~~safety, in consultation with the commissioner and the commissioner of revenue, shall~~  
1.23 ~~prescribe the form of the certificate. The certificate is not required if the applicant provides~~  
1.24 ~~a receipt, invoice, or other document that shows; or~~

2.1 (3) the snowmobile was purchased from a retailer that is maintaining a place of business  
 2.2 in this state as defined in section 297A.66, subdivision 1, and is a dealer.

2.3 (b) The commissioner or authorized deputy registrars, acting as agents of the  
 2.4 commissioner of revenue under an agreement between the commissioner and the  
 2.5 commissioner of revenue, as provided in section 297A.825:

2.6 (1) must collect use tax from the applicant if the applicant does not provide the proof  
 2.7 required under paragraph (a); and

2.8 (2) are authorized to issue refunds of use tax paid to them in error.

2.9 (c) Subdivision 11 does not apply to refunds under this subdivision.

2.10 **EFFECTIVE DATE.** This section is effective for snowmobiles registered after June  
 2.11 30, 2017.

2.12 Sec. 2. Minnesota Statutes 2016, section 84.922, subdivision 11, is amended to read:

2.13 Subd. 11. **Proof of sales tax payment; collection and refund.** (a) A person applying  
 2.14 for initial registration in Minnesota of an all-terrain vehicle ~~shall~~ must provide a ~~purchase~~ purchaser's  
 2.15 ~~certificate showing a complete description of the all-terrain vehicle, the seller's name and~~  
 2.16 ~~address, the full purchase price of the all-terrain vehicle, and the trade-in allowance, if any.~~  
 2.17 ~~The certificate also must include information showing either~~ receipt, invoice, or other  
 2.18 document to prove that:

2.19 (1) the sales and use tax under chapter 297A was paid, or;

2.20 (2) the purchase was exempt from tax under chapter 297A. ~~The certificate is not required~~  
 2.21 if the applicant provides a receipt, invoice, or other document that shows; or

2.22 (3) the all-terrain vehicle was purchased from a retailer that is maintaining a place of  
 2.23 business in this state as defined in section 297A.66, subdivision 1, and is a dealer.

2.24 (b) The commissioner or authorized deputy registrars, acting as agents of the  
 2.25 commissioner of revenue under an agreement between the commissioner and the  
 2.26 commissioner of revenue, as provided in section 297A.825:

2.27 (1) must collect use tax from the applicant if the applicant does not provide the proof  
 2.28 required under paragraph (a); and

2.29 (2) are authorized to issue refunds of use tax paid to them in error.

2.30 (c) Subdivision 12 does not apply to refunds under this subdivision.

3.1 **EFFECTIVE DATE.** This section is effective for all-terrain vehicles registered after  
3.2 June 30, 2017.

3.3 Sec. 3. Minnesota Statutes 2016, section 86B.401, subdivision 12, is amended to read:

3.4 Subd. 12. **Proof of sales tax payment; collection and refund.** (a) A person applying  
3.5 for initial licensing of a watercraft must provide a ~~watercraft purchaser's certificate, showing~~  
3.6 ~~a complete description of the watercraft, the seller's name and address, the full purchase~~  
3.7 ~~price of the watercraft, and the trade-in allowance, if any. The certificate must include~~  
3.8 ~~information showing either~~ receipt, invoice, or other document to prove that:

3.9 (1) ~~that the sales and use tax under chapter 297A was paid or;~~

3.10 (2) the purchase was exempt from tax under chapter 297A. ~~The commissioner of public~~  
3.11 ~~safety, in consultation with the commissioner and the commissioner of revenue, shall~~  
3.12 ~~prescribe the form of the certificate. The certificate is not required if the applicant provides~~  
3.13 ~~a receipt, invoice, or other document that shows; or~~

3.14 (3) the watercraft was purchased from a retailer that is maintaining a place of business  
3.15 in this state as defined in section 297A.66, subdivision 1, and is a dealer.

3.16 (b) The commissioner or authorized deputy registrars, acting as agents of the  
3.17 commissioner of revenue under an agreement between the commissioner and the  
3.18 commissioner of revenue, as provided in section 297A.825:

3.19 (1) must collect use tax from the applicant if the applicant does not provide the proof  
3.20 required under paragraph (a); and

3.21 (2) are authorized to issue refunds of use tax paid to them in error.

3.22 (c) Section 86B.415, subdivision 11, does not apply to refunds under this subdivision.

3.23 **EFFECTIVE DATE.** This section is effective for watercraft licensed after June 30,  
3.24 2017.

3.25 Sec. 4. Minnesota Statutes 2016, section 115A.1314, subdivision 1, is amended to read:

3.26 Subdivision 1. **Registration fee.** (a) Each manufacturer who registers under section  
3.27 115A.1312 must, by August 15 each year, pay to the commissioner of revenue an annual  
3.28 registration fee, on a form and in a manner prescribed by the commissioner of revenue. The  
3.29 commissioner of revenue must deposit the fee in the state treasury and credit the fee to the  
3.30 environmental fund.

4.1 (b) The registration fee for manufacturers that sell 100 or more video display devices  
4.2 to households in the state during the previous calendar year is \$2,500, plus a variable  
4.3 recycling fee. The registration fee for manufacturers that sell fewer than 100 video display  
4.4 devices to households in the state during the previous calendar year is a variable recycling  
4.5 fee. The variable recycling fee is calculated according to the formula:

4.6  $[A - (B + C)] \times D$ , where:

4.7 A = the manufacturer's recycling obligation as determined under section 115A.1320;

4.8 B = the number of pounds of covered electronic devices recycled by a manufacturer  
4.9 from households during the immediately preceding program year, as reported under section  
4.10 115A.1316, subdivision 1;

4.11 C = the number of phase I or phase II recycling credits a manufacturer elects to use to  
4.12 calculate the variable recycling fee; and

4.13 D = the estimated per-pound cost of recycling, initially set at \$0.50 per pound for  
4.14 manufacturers who recycle less than 50 percent of the manufacturer's recycling obligation;  
4.15 \$0.40 per pound for manufacturers who recycle at least 50 percent but less than 90 percent  
4.16 of the manufacturer's recycling obligation; \$0.30 per pound for manufacturers who recycle  
4.17 at least 90 percent but less than 100 percent of the manufacturer's recycling obligation; and  
4.18 \$0.00 per pound for manufacturers who recycle 100 percent or more of the manufacturer's  
4.19 recycling obligation.

4.20 (c) A manufacturer may petition the agency to waive the per-pound cost of recycling  
4.21 fee, element D in the formula in paragraph (b), required under this section. The agency shall  
4.22 direct the commissioner of revenue to waive the per-pound cost of recycling fee if the  
4.23 manufacturer demonstrates to the agency's satisfaction a good faith effort to meet its recycling  
4.24 obligation as determined under section 115A.1320. The petition must include:

4.25 (1) documentation that the manufacturer has met at least 75 percent of its recycling  
4.26 obligation as determined under section 115A.1320;

4.27 (2) a list of political subdivisions and public and private collectors with whom the  
4.28 manufacturer had a formal contract or agreement in effect during the previous program year  
4.29 to recycle or collect covered electronic devices;

4.30 (3) the total amounts of covered electronic devices collected from both within and outside  
4.31 of the 11-county metropolitan area, as defined in subdivision 2;

4.32 (4) a description of the manufacturer's best efforts to meet its recycling obligation as  
4.33 determined under section 115A.1320; and

5.1 (5) any other information requested by the agency.

5.2 (d) A manufacturer may retain phase I and phase II recycling credits to be added, in  
5.3 whole or in part, to the actual value of C, as reported under section 115A.1316, subdivision  
5.4 2, during any succeeding program year, provided that no more than 25 percent of a  
5.5 manufacturer's recycling obligation ( $A \times B$ ) for any program year may be met with phase  
5.6 I and phase II recycling credits, separately or in combination, generated in a prior program  
5.7 year. A manufacturer may sell any portion or all of its phase I and phase II recycling credits  
5.8 to another manufacturer, at a price negotiated by the parties, who may use the credits in the  
5.9 same manner.

5.10 (e) For the purpose of calculating a manufacturer's variable recycling fee under paragraph  
5.11 (b), starting with the program year beginning July 1, 2019, and continuing each year  
5.12 thereafter, the weight of covered electronic devices collected from households located  
5.13 outside the 11-county metropolitan area, as defined in subdivision 2, paragraph (b), is  
5.14 calculated at 1.5 times their actual weight.

5.15 **EFFECTIVE DATE.** This section is effective for registration fees due after June 30,  
5.16 2017.

5.17 Sec. 5. Minnesota Statutes 2016, section 270B.14, is amended by adding a subdivision to  
5.18 read:

5.19 **Subd. 20. Department of Natural Resources; authorized deputy registrars of motor**  
5.20 **vehicles.** The commissioner may disclose return information related to the taxes imposed  
5.21 by chapter 297A to the Department of Natural Resources or an authorized deputy registrar  
5.22 of motor vehicles only:

5.23 (1) if the commissioner has an agreement with the commissioner of natural resources  
5.24 under section 297A.825, subdivision 1; and

5.25 (2) to the extent necessary for the Department of Natural Resources or an authorized  
5.26 deputy registrar of motor vehicles to verify that the applicable sales or use tax has been paid  
5.27 or that a sales tax exemption applies, and to otherwise administer sections 84.82, subdivision  
5.28 10; 84.922, subdivision 11; 86B.401, subdivision 12; and 297A.825.

5.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

6.1 Sec. 6. **[297A.825] SNOWMOBILES; ALL-TERRAIN VEHICLES; WATERCRAFT;**  
 6.2 **PAYMENT OF TAXES; REFUNDS.**

6.3 **Subdivision 1. Agreement with commissioners of natural resources and public**  
 6.4 **safety; collection and refunds.** The commissioner may enter into an agreement with the  
 6.5 commissioner of natural resources, in consultation with the commissioner of public safety,  
 6.6 that provides that:

6.7 (1) the commissioner of natural resources and authorized deputy registrars of motor  
 6.8 vehicles must collect use tax on snowmobiles, all-terrain vehicles, and watercraft from  
 6.9 persons applying for initial registration or license of the item unless the applicant provides  
 6.10 a receipt, invoice, or other document to prove that:

6.11 (i) sales tax was paid on the purchase;

6.12 (ii) the purchase was exempt under this chapter;

6.13 (iii) use tax was paid to the commissioner in a form prescribed by the commissioner; or

6.14 (iv) the item was purchased from a retailer that is maintaining a place of business in this  
 6.15 state as defined in section 297A.66, subdivision 1, and is a dealer as defined in section  
 6.16 84.81, subdivision 10; 84.92, subdivision 3; or 86B.005, subdivision 4; and

6.17 (2) the commissioner of natural resources and authorized deputy registrars of motor  
 6.18 vehicles are authorized to issue refunds of use tax paid to them in error, meaning that either  
 6.19 the sales or use tax had already been paid or that the purchase was exempt from tax under  
 6.20 this chapter.

6.21 Subd. 2. Agents. For the purposes of collecting or refunding the tax under this section,  
 6.22 the commissioner of natural resources and authorized deputy registrars of motor vehicles  
 6.23 are the agents of the commissioner and are subject to, and must strictly comply with, all  
 6.24 rules consistent with this chapter prescribed by the commissioner.

6.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

6.26 **ARTICLE 2**

6.27 **SUSTAINABLE FOREST INCENTIVE ACT PROVISIONS**

6.28 Section 1. Minnesota Statutes 2016, section 290C.03, is amended to read:

6.29 **290C.03 ELIGIBILITY REQUIREMENTS.**

6.30 (a) Land may be enrolled in the sustainable forest incentive program under this chapter  
 6.31 if all of the following conditions are met:

7.1 (1) the land consists of at least 20 contiguous acres and at least 50 percent of the land  
7.2 must meet the definition of forest land in section 88.01, subdivision 7, during the enrollment;

7.3 (2) a forest management plan for the land must be (i) prepared by an approved plan  
7.4 writer and implemented during the period in which the land is enrolled, and (ii) registered  
7.5 with the Department of Natural Resources;

7.6 (3) timber harvesting and forest management guidelines must be used in conjunction  
7.7 with any timber harvesting or forest management activities conducted on the land during  
7.8 the period in which the land is enrolled;

7.9 (4) the land must be enrolled for a minimum of eight years;

7.10 (5) there are no delinquent property taxes on the land; ~~and~~

7.11 (6) claimants enrolling more than 1,920 acres in the sustainable forest incentive program  
7.12 must allow year-round, nonmotorized access to fish and wildlife resources and motorized  
7.13 access on established and maintained roads and trails, unless the road or trail is temporarily  
7.14 closed for safety, natural resource, or road damage reasons on enrolled land except within  
7.15 one-fourth mile of a permanent dwelling or during periods of high fire hazard as determined  
7.16 by the commissioner of natural resources; and

7.17 (7) the land is not classified as 2c managed forest land.

7.18 (b) Claimants required to allow access under paragraph (a), clause (6), do not by that  
7.19 action:

7.20 (1) extend any assurance that the land is safe for any purpose;

7.21 (2) confer upon the person the legal status of an invitee or licensee to whom a duty of  
7.22 care is owed; or

7.23 (3) assume responsibility for or incur liability for any injury to the person or property  
7.24 caused by an act or omission of the person.

7.25 (c) A minimum of three acres must be excluded from enrolled land when the land is  
7.26 improved with a structure that is not a minor, ancillary, or nonresidential structure. If land  
7.27 does not meet the definition of forest land in section 290C.02, subdivision 6, because the  
7.28 land is (1) enrolled in the reinvest in Minnesota program, (2) enrolled in a state or federal  
7.29 conservation reserve or easement program under sections 103F.501 to 103F.531, (3) subject  
7.30 to the Minnesota agricultural property tax under section 273.111, or (4) subject to agricultural  
7.31 land preservation controls or restrictions as defined in section 40A.02 or the Metropolitan

8.1 Agricultural Preserves Act under chapter 473H, the entire parcel that contains the land is  
8.2 not eligible to be enrolled in the program.

8.3 **EFFECTIVE DATE.** The amendment to paragraph (a), clause (2), is effective for  
8.4 certifications filed after July 1, 2018. The amendment adding paragraph (a), clause (7), is  
8.5 effective for certifications and applications due in 2017 and thereafter. The amendment  
8.6 adding paragraph (c) is effective the day following final enactment.

8.7 **Sec. 2. [290C.051] VERIFICATION OF FOREST MANAGEMENT PLAN.**

8.8 On request of the commissioner, the commissioner of natural resources must annually  
8.9 provide verification that the claimant has a current forest management plan on file with the  
8.10 Department of Natural Resources.

8.11 **EFFECTIVE DATE.** This section is effective for certifications filed after July 1, 2018.

8.12 **Sec. 3. REPEALER.**

8.13 Minnesota Statutes 2016, sections 290C.02, subdivisions 5 and 9; and 290C.06, are  
8.14 repealed.

8.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.



APPENDIX  
Article locations in 17-3547

ARTICLE 1 SALES AND USE, AND SPECIAL TAXES ..... Page.Ln 1.12  
ARTICLE 2 SUSTAINABLE FOREST INCENTIVE ACT PROVISIONS ..... Page.Ln 6.26

APPENDIX  
Repealed Minnesota Statutes: 17-3547

**290C.02 DEFINITIONS.**

Subd. 5. **Current use value.** "Current use value" means the statewide average annual income per acre, multiplied by 90 percent and divided by the capitalization rate determined under subdivision 9. The statewide net annual income shall be a weighted average based on the most recent data as of July 1 of the computation year on stumpage prices and annual tree growth rates and acreage by cover type provided by the Department of Natural Resources and the United States Department of Agriculture Forest Service North Central Research Station.

Subd. 9. **Capitalization rate.** By July 1 of each year, the commissioner shall determine a statewide capitalization rate for use under this chapter. The rate shall be the average annual effective interest rate for St. Paul on new loans under the Farm Credit Bank system calculated under section 2032A(e)(7)(A) of the Internal Revenue Code.

**290C.06 CALCULATION OF AVERAGE ESTIMATED MARKET VALUE;  
MANAGED FOREST LAND.**

The commissioner shall annually calculate a statewide average estimated market value per acre for class 2c managed forest land under section 273.13, subdivision 23.