

Northern Counties Land Use Coordinating Board

Thursday, June 13, 2013

Grand Rapids, MN

Call to Order: The meeting of the Northern Counties Land Use Coordinating Board was called to order by Chairman Brian McBride at 9:45 a.m. with the following participants:

NCLUCB Members: Garry Gamble, Cook Co., Brian McBride, Koochiching Co., Mike Forsman, St. Louis Co., Brian Napstad, Aitkin Co., Chris Dahlberg, St. Louis Co., Rich Sve, Lake Co., Ken Moorman, Lake of the Woods Co., Buck Nordlof, Lake of the Woods Co., Todd Miller, Roseau Co., Wade Pavleck, Koochiching Co., Steve Raukar, St. Louis Co.,

Others Present: Senator Tom Saxhaug, Representative Wayne Skoe, Representative Roger Erickson, Representative Dan Fabian, Gary Kiesow, Marshall Co., Jack Muhar, Itasca Co. Atty., John Ongaro, St. Louis Co., Craig Engwall, MNDNR, Lori Dowling-Hanson, MNDNR, Bob Lessard, MNDNR, John Chell, NCLUCB staff.

Administrative Actions:

Minutes of the May 2, 2013 moved and approved. M: Pavleck, S: Napstad

Financial Report and Bills:

Commissioner Raukar reported that the Land Use Conflict Account was at \$15,005.28 and the General Account held \$124,160.60.

Expenses for May : J.Chell Professional Services and Expenses: \$1003.97

Professional Services and Expenses for staff of \$1103.97 moved and approved. M: Napstad, S. Dahlberg

Discussions and Presentations:

Itasca County Attorney Jack Muhar discussed the UPM-Blandin Paper Company lawsuit regarding forest land property taxes. (See attached Summary from Itasca County Auditors Office). UPM-Blandin is making two claims: 1. The conservation easement applied to their land holdings reduces the market value of the land and should reduce the appraised value upon which their lands are taxed; and 2. The lands should be appraised as one unit of approximately 160,000 acres, not as a set of multiple holdings of substantially smaller acreage. The “bulking” or prohibition against selling smaller parcels greatly restricts potential buyers of the UPM-Blandin land holding and that constriction of the potential market should be reflected in the appraised value of the land. The lawsuit will be heard in the tax court in September, 2013.

Among the issues discussed with Muhar:

Large holding appraisal procedures.

SFIA limitation to 60,000 acres.

Conservation easement impact on appraised value.

Legislative appropriations for conservation easement compensation: does it apply to all easements or only large holdings?

Retroactive implications should the tax court rule in favor of UPM-Blandin.

John Ongaro, St. Louis County lobbyist review the 2013 legislative session.

Payment in Lieu of Taxes: northern counties achieved their objectives with two types of payments : Acquired natural resource land and county tax forfeit land. (see handout).

Intermediate Auctions: Skoe: “counties now have the flexibility to structure their own sales consistent with their particular economic and employment situation.”

Reauthorization of SFIA at previous rates up to 60,000 acres has solved the short term issue of restricted access to and through private forest land. Molpus, for example, is ready to open their roads and will fully participate in the SFIA program.

County Issues:

Commissioner Forsman: concern with the wetland regulation enforcement approach within the Northern St. Louis County Soil and Water Conservation District. With two districts within the county, commissioners can compare the effectiveness and impact of regulatory actions within the county. The Northern SWCD is raising some issues with their confrontational approach.

Commissioner Napstad: all counties are charged with enforcing wetland, on-site wastewater treatment and shoreland regulations. Natural Resource Block Grants fund these enforcement efforts. While there is considerable variation across the state in terms of enforcement, if a county accepts the grant, they are responsible for complying with these standards and regulations and ensuring provisions of the applicable laws are enforced.

Commissioner Raukar: advocated for levy authority for the SWCDs. Was surprised by comments in the Duluth News Tribune attributed to an SWCD employee criticizing county commissioners for supporting non-ferrous mining and stating that the commissioners are “stupid or criminal or both”.

Commissioner Pavleck: thanked the legislators for holding off on new shoreland regulations during the session. Napstad agreed with Pavleck and stated that the DNR was planning shoreland regulation modifications without sufficient consultation with affected counties. Napstad cited the “alternative standards” issue and stated that the current set of standards are sufficient give adequate enforcement resources.

Commissioner Todd Miller discussed the issue of prescribed easements. In some of the north west counties the issue of DNR use of prescribed easements to ensure access across private and county lands is being promoted. While the issue is in an early stage of development, NCLUCB may want to examine the implications of this approach. DNR representative Craig Engwall stated that the primary focus for this initiative is forest inventory roads. These roads were not recorded but are extremely valuable for assessing the forest resource.

Commissioner Todd Miller suggested that NCLUCB support the efforts of the con-con counties to nominate Larry Kramka to the EPA Science Advisory Board. Since the Science Advisory Board will be reviewing the federal implementation of wetland regulations under the Clean Water Act, it is important that a representative from Northern Minnesota participate. By unanimous vote, NCLUCB voted to forward Mr. Kramka’s name to the Science Advisory Board.

Commissioner Todd Miller introduced the issue of drainage assessments. Citing problems such as back taxes, responsibility for maintenance, and unclear statutory authority, Miller indicated that NCLUCB should anticipate legislative action next session. DNR representative Lori Dowling-Hanson indicated that she was forming a working group to address the issue within the con-con lands. Commissioner Napstad cited that while the DNR was not paying ditch assessments, \$300,000 was appropriated for these payments.

Senator Saxhaug summarized a couple of additional legislative actions:

1. Local governments will not pay sales tax on capital expenditures.
2. Forest management funding was almost doubled.
3. County land departments will receive trail development funding.

Meeting adjourned at 12:10 p.m. M Raukar, S Pavleck.