



PINE COUNTY

BOARD OF COMMISSIONERS

SPECIAL MEETING-COMMITTEE OF THE WHOLE

District 1	Commissioner Hallan
District 2	Commissioner Mohr
District 3	Commissioner Chaffee
District 4	Commissioner Mikrot
District 5	Commissioner Ludwig

March 12, 2019 – 10:00 a.m.
Board Room, Pine County Courthouse
Pine City, Minnesota

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Review/Approve Agenda
4. Wetland Banking/Wetland Credits
Presentation by David Demmer, Wetlands Specialist, Minnesota Board of Water and Soil Resources
5. Auditor-Land Department Contract Reinstatement Discussion
6. County Land and Zoning Update including the County Zoning Initiative
7. Adjourn (estimate 12:00 p.m.)

CONTRACT CANCELLATIONS/REINSTATMENTS
(Tax-Forfeit Land Sales and Repurchases)

Auditor-Land Department- 3/12/19

This discussion will mostly focus on the cancellation of land sale and repurchase contract for deeds and whether reinstatement of cancelled contracts should occur.

Land sale and Repurchase Contract for Deeds are beneficial to some purchasers and may be beneficial to a county at a 10% interest rate and through encouraging purchases. Contract for deeds are also problematic when contract terms are ignored and cancellation of the contract occur. Contract cancellations are a complex and expensive process.

For county tax-forfeit land sales and repurchases a county may require payment in full with no option for a contract for deed.

M.S. 282.01 (subd. 4): “.....The parcels must be sold for cash only, unless the county board of the county has adopted a resolution providing for the sale on terms.....”.

M.S.282.241 (subd. 1): “.....If the county board has good cause to believe that a repurchase installment payment plan for a particular parcel is unnecessary and not in the public interest, the county board may require as a condition of the repurchase that the entire repurchase price be paid at the time of repurchase.....”.

Per Minnesota Statutes and MN Department of Revenue:

After cancellation of a contract occurs and before the parcel is resold, the former contract holder may request to have the contract reinstated (M.S. 282.341 (subd. 1)).

This may be done until the terms of the contract are fulfilled or the parcel is resold or conveyed to a third party.

-If 50 percent or more of the basic sale price was paid before cancellation, the former contract holder may request the reinstatement of a contract for deed. In this case, the former contract holder’s request is to be granted without the approval of the County Board. The original terms of the contract for deed are reinstated.

-If less than 50 percent of the basic sale price was paid before cancellation, the former contract holder may still request the reinstatement of a contract for deed. However, in this case, the former contract holder’s request can be granted only with the approval of the County Board. The County Board also has the discretion to alter the financial terms of the contract for deed under these circumstances.

NOTE:

Within the statutory conditions for reinstatement of a contract for deed, a purchaser may request and/or the County Board may approve the reinstatement of a canceled contract for deed an indefinite number of times. This may be done until the terms of the contract are fulfilled or the parcel is resold or conveyed to a third party.

There is no time limit for contract reinstatement. If the purchaser has paid more than 50 percent or more on the, the reinstatement depends only on the purchaser requesting it and paying the required amounts. If the purchaser paid less than 50 percent, the County Board approves or rejects the reinstatement.