

The Sustainable Forest Incentive Act

Frequently Asked Questions

9b

Property Tax Fact Sheet 9b

Fact Sheet

The Sustainable Forest Incentive Act (SFIA) provides incentive payments to encourage sustainable use of forest lands. For basic information about the program, please refer to Fact Sheet 9a.

Do I need to record a separate covenant for each tax parcel I want to enroll?

No, but if you enroll property in more than one **county**, you must record a separate covenant (agreement) in county. One covenant can include many tax parcels, even if they are not contiguous.

Where do I find my covenant recording number?

After you record your covenant with the county the recording number is on the front page.

What does a forest management plan include?

Your plan must include:

- Forest management goals for the property
- The parcel identification number (PID)
- The legal description of the land
- An inventory of forest cover types
- A map of vegetation and boundaries
- Proposed future conditions
- A calendar of management activities

The Minnesota Department of Natural Resources (DNR) will work directly with you and the plan writer to determine what is acceptable.

Can I enroll only part of my eligible acres?

Yes, as long as you are enrolling at least 20 acres. To enroll remaining acres in the future, you must have a new PID and covenant for the extra acres.

What if I sell or transfer the land?

You can sell all or a part of the land at any time, but the covenant stays in effect. The new owner must abide by the covenant. The new owner can also enroll in the program for payment.

What if I have a building on my property?

If the building or structure is used **exclusively for forest management activities**, it can be enrolled. An example would be a shed that houses only forest management equipment.

If it is a **residential** structure – or other building that is not used exclusively for forest management – at least 3 acres must be excluded from enrollment with the structure. An example would be a garage that houses cars, a cabin, or a barn.

You can exclude more acres if you think you may add additional improvements. After you reduce land for a structure you must still have 20 acres to be eligible for enrollment.

What if I want to build on the property?

The covenant prohibits you from improving or building on any acres enrolled in SFIA. If you might want to build in the future, make sure to exclude any acreage you would build on.

If you violate the covenant, **all** of the enrolled acres will be removed from the program, and you will be penalized. The penalty is the total amount of payments you received on all of the land for the previous four years, plus interest. The covenant would still be on the land.

If you build on acres that were already excluded from SFIA, there is no penalty.

Is camping allowed on SFIA land?

Camping and other recreational uses are allowed on SFIA land, as long as it does not conflict with the covenant or forest management plan.

What if I have wetlands on my property?

Open water less than 3 acres can be included in the forest management plan and enrolled in SFIA. Larger acres must be excluded from the program.

Some marshes and other wetlands that cannot grow trees, but that have a significant impact on forested land, may be eligible for SFIA.

How many acres can I enroll?

There is no maximum number of acres. If you enroll more than 1,920 acres, you must allow year-round, non-motorized public access to fish and wildlife resources, except:

- In areas within one-quarter mile of a permanent dwelling
- During periods of high fire danger as determined by the DNR.

How do I withdraw from the program?

If you've been enrolled in the program for at least four years, you can request cancellation by calling or writing the department.

Once accepted, the cancellation will take effect on January 1 of the fifth calendar year after we receive your termination notice.

During the 4-year waiting period, the covenant is still binding and you continue to receive payments.

Once you have withdrawn, you cannot re-enroll in SFIA for at least three years.

If state law is changed to reduce the payment from \$7 per acre, you may immediately withdraw without a 4-year waiting period.

Can I remove just a portion of the land?

Only entire tax parcels may be removed. If you have more than one tax parcel, you do not need to remove all of the tax parcels. You may not remove less than one enrolled tax parcel.

If I buy land that is in SFIA, do I have to enroll?

You must apply for enrollment if you want to continue to receive payments.

If you do not wish to enroll, the property is still bound by the covenant and you must abide by it.

You must request termination from the program and wait for the covenant to be released before you can build on the property or change its use.

The buyer and seller must decide between themselves who will receive payments. This may be written into a purchase agreement.

What if my land's classification changes?

If your County Assessor changes your land classification, we may ask you for additional information. Some uses of the property (residential use, agricultural use) are prohibited by the SFIA program for enrolled acres.

What if I have delinquent taxes?

If you owe delinquent taxes on enrolled land, your land may be removed from the program. You have 60 days to pay the taxes. If you pay the taxes, your property will be reinstated without penalty.

If you do not pay the taxes, your land will be removed and you will be subject to penalties. The covenant will remain on the land for the minimum eight years.

What if I have other delinquent taxes or debts?

State law may require us to apply your payments to other delinquent taxes or government debts.

Examples include criminal fines and debts to the state or county agencies such as district courts, hospitals, or public libraries.

Questions

If you have questions about the SFIA program contact us at 651-556-6088.

If you have questions about forest management plans, please contact the Department of Natural Resources or your county forestry office.

For more information refer to Fact Sheet 9a, *Sustainable Forest Incentive Act*.