



# Minnesota Wetland Bank Withdrawal Transactions

## Responsibilities of the Wetland Banker/Seller of Compensatory Wetland Credit

1. Quote a fair price to the buyer. Consider that your wetland bank lasts forever and once your credits are gone, you will not generate any additional revenue from the project. You will continue to have expenses such as property taxes, noxious weed control, and repair to dikes, berms, and water control structures.
  - BWSR estimates credit prices by county based on recent land sales. This information can be found at [www.bwsr.state.mn.us/wetlands/wetlandbanking/fee\\_and\\_sales\\_data/Wetland\\_Bank\\_Fee\\_Schedule.pdf](http://www.bwsr.state.mn.us/wetlands/wetlandbanking/fee_and_sales_data/Wetland_Bank_Fee_Schedule.pdf). These are estimates--you can charge what you think is fair for your credits. The transaction fee will be based on either the estimated value or your actual price.
2. Draft a purchase agreement for the sale. The Buyer will need a purchase agreement to prove to the Local Government Unit that they have wetland credit in place for their project. You may utilize your own purchase agreement or use the template provided by BWSR (<http://www.bwsr.state.mn.us/wetlands/wetlandbanking/forms.html>). At a minimum, the purchase agreement should indicate the date of the agreement, the bank account, the credit subgroup, the amount of credit needed, the price of the credits, the closing date of the sale, and signatures of the Seller and the Buyer. Do not forget to incorporate the 6.5% transaction fee into your negotiation with the Buyer.
  - Many Wetland Bankers require that Buyers provide some amount of Earnest Money in order to hold the credits until the transaction is finalized at closing. The purchase agreement should state whether the Wetland Banker/Seller is obliged to return earnest money if regulatory agencies deny the Buyer's project for which compensatory wetland credit was needed.
3. Note that Buyers may request a square foot amount of credit... but BWSR tracks wetland credit in acres, to the ten-thousandths of an acre (e.g., 0.0001), which equals slightly more than four square feet. To convert square feet to ten thousandths of an acre, divide the number of square feet by 43,560 and round up to the fourth decimal. For example, if a Buyer requests 2,000 square feet, dividing by 43,560 equals 0.04591368. You will need to round up to sell the Buyer 0.0460 acres of credit. This is actually closer to 2,004 square feet because 0.0459 equals 1,999 square feet, short of the amount that they actually need. (You can be ahead of the game by calculating a price per ten thousandths of an acre, writing it on a card, and keeping that card in something that you regularly carry with you such as a wallet or purse.)

4. In addition to a Purchase Agreement, provide the Buyer with a copy of the *Transaction Form for Withdrawal of Wetland Credit from the Minnesota Wetland Bank* that can be found at <http://www.bwsr.state.mn.us/wetlands/wetlandbanking/forms.html>. You only complete the information in Box 4 at this time. You do NOT sign the form. You may also indicate if BWSR should notify any additional individuals of the transaction by email in the space at the bottom of Page 1. Otherwise the form is left blank because it is up to the Buyer to incorporate the details of his project. The form automatically calculates costs and the BWSR fee once you input the amount of credit, the cost of credit, and the BWSR county fee from the website [www.bwsr.state.mn.us/wetlands/wetlandbanking/fee and sales data/Wetland Bank Fee Schedule.pdf](http://www.bwsr.state.mn.us/wetlands/wetlandbanking/fee_and_sales_data/Wetland_Bank_Fee_Schedule.pdf)).
5. At the place and date of closing, the Buyer provides payment and a fully-completed Transaction Form *For Withdrawal of Wetland Credit from the Minnesota Wetland Bank*. All signatures should be original signatures, not scanned copy. The Buyer must have secured a signature from the Local Government Unit official who approved the use of wetland credit for that project. Once the Buyer pays for the credit in full, they sign in Box 2, and provide a complete form; you sign the form in Box 4. It is a good idea to make copies of the form for your records and the records of your buyer.
6. Mail the completed, original form with a check for the transaction fee to BWSR. It is best if the transaction form comes in complete to the BWSR St. Paul office. Rather than having the Buyer send the fee check separately, collect that together with your payment and include a check in the envelope to BWSR.
  - If you haven't already paid your annual fee, enclose a check for that in the envelope with the form. The fee is due with the first transaction of the calendar year and BWSR will delay processing the transaction until the annual fee is paid.
7. Although you are not expected to be an expert, a minimum understanding of state and federal wetland regulations will be helpful to customers not familiar with the process. In addition to providing good customer service, understanding the rules can help you know your market and sell more credits. A box with links to basic information is on the right side of the BWSR web page here: <http://www.bwsr.state.mn.us/wetlands/regulation.html>.