

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3828
Version: As introduced

DATE: April 11, 2016

Authors: Anderson, P. and Backer

Subject: Property tax credit for agricultural buffer land

Analyst: Steve Hinze (steve.hinze@house.mn)

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Overview

H.F. 3828 provides a property tax credit equal to 100 percent of the tax imposed on agricultural land subject to the riparian buffer law passed in 2015. H.F. 3828 also prohibits the assessor from reducing the value of those lands due to the new buffer requirements.

Section

1 Riparian buffer credit.

Subdivision 1. Definitions. Defines riparian buffer land as land subject to the new buffer requirements enacted in 2015.

Subd. 2. Requirements; application. Provides that riparian buffer land that is classified as agricultural and that is not enrolled in a conservation program that provides income to the landowner is entitled to a credit. Requires the landowner to apply for the credit by June 30, 2016, for taxes payable in 2017; in succeeding years, application must be made prior to April 1 for taxes payable in the succeeding year. Once property has been deemed eligible for the credit, no application is required in future years unless the ownership of the property changes; however, the landowner must file an affidavit with the assessor at least once every three years verifying that the buffer has been maintained in accordance with the buffer law.

Subd. 3. Valuation of land subject to buffer requirement. Prohibits the assessor from reducing the value of land that is eligible for a credit under this section due to restrictions on the land imposed by the buffer requirements.

Section

Subd. 4. Amount of credit. Provides that the credit is equal to 100 percent of the taxes on the buffer land.

Subd. 5. Credit reimbursements. Provides that the county auditor must certify the credits granted under this section to the commissioner of revenue.

Subd. 6. Payment. Provides that the commissioner of revenue shall annually reimburse the non-school local taxing jurisdictions for credits awarded under this section. Provides that the commissioner of education shall annually reimburse the school districts for credits awarded under this section.

Subd. 7. Appropriation. Provides an open and standing appropriation to pay the credits under this section from the clean water fund.

Effective date: Provides that the credit first takes effect for taxes payable in 2017 for lands bordering public waters, and for taxes payable in 2018 for other qualifying lands.

2 Computation of net property taxes. Adds the riparian buffer credit to the list of property tax credits for purposes of determining net property taxes payable.