

Subject Riparian Buffer Compensation
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Overview

This bill establishes a compensation program for land owners who converted tillable farm land into riparian buffers following enactment of the buffer law in 2015. Eligible land owners would receive annual compensation equal to the average annual rental payment for the amount of land converted into a buffer. The program would be administered by the Department of Revenue and annual allocations from the general fund would pay for the program.

Summary

Section	Description
1	<p>Riparian-buffer compensation.</p> <p>Creates a cross-reference for classification of data submitted for the compensation program.</p>
2	<p>Riparian buffers; compensation program.</p> <p>Subd. 1. Definitions. Defines terms for the purposes of this section.</p> <p>Subd. 2. Eligibility requirements. Establishes eligibility requirements for the compensation program. Land may be enrolled in the program if it is classified for property tax purposes as tillable agricultural land, the owner maintains a buffer on the property, the land was converted to a buffer between 2015-2018, there are no delinquent property taxes on the land, and the land owner has not been compensated for the buffer as part of a drainage project under chapter 103E.</p> <p>The owner must apply for compensation before April 1, 2021.</p> <p>Subd. 3. Applications. Establishes the application prescribed by the commissioner of revenue. The application must include the number of acres converted to a buffer during 2015-2018.</p> <p>Subd. 4. Annual certification. Requires the land owner to annually certify by April 1 that they continue to meet the program enrollment requirements.</p> <p>Subd. 5. Notifying the commissioner of noncompliance. Requires the commissioner of revenue to annually provide to counties, watershed districts,</p>

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	and BWSR data necessary to identify claimants enrolled. These entities must annually notify the commissioner of revenue of any noncompliant enrollees.
	Subd. 6. Length of enrollment. Allows for approved land to remain enrolled unless terminated.
	Subd. 7. Payment amount. Establishes the annual payment that eligible claimants receive for each acre of land converted to a buffer as the average annual rental payment per acre for county cropland.
	Subd. 8. Annual payment. Requires payments be made by October 1 for applications received by April 1 of the same year. Payments made after the later of October 1 or 180 days after the completed application must include interest.
	Subd. 9. Multiple claimants. Limits the number of claimants for any parcel of land to one, even if there are multiple owners. When enrolled land is owned by multiple people, or when it is sold or transferred, the involved parties must determine who will receive the payments. If they cannot agree, the commissioner of revenue will make the determination.
	Subd. 10. Reasons for termination. Establishes that land enrolled in the program may be terminated for the following reasons: delinquent taxes, program noncompliance, failure to recertify, or voluntary withdrawal.
	Subd. 11. Compliance audit. Allows the commissioner of revenue to examine applications for compliance.
	Subd. 12. Penalty. Establishes a penalty equal to the amount of payments received, plus interest, for any claimant who intentionally files a false application or certification. If the penalty is not paid with 90 days, the penalty amount will be added to the property taxes due on the land in the following year.
	Subd. 13. Appeal to Tax Court. Allows any claimant who is denied enrollment, assessed a penalty, or terminated from the program to appeal the decision to the Tax Court.
	Subd. 14. Appropriation. Establishes an annual appropriation from the general fund to make payments under this program.

3 **Appropriation; riparian-buffer compensation.**
Appropriates \$11,000 in FY 2020 and \$434,000 in FY 2021 from the general fund to the commissioner of revenue to administer the program. An additional \$286,000 is added to the base appropriation for the Department of Revenue for fiscal years 2022 and 2023.



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