

MINNESOTA • REVENUE

PROPERTY TAX Ag Land Public Waters Class

March 13, 2007

Department of Revenue
Analysis of S.F. 870 (Vickerman) / H.F. 1012 (Otremba)

	Yes	No
DOR Administrative Costs/Savings		X

Fund Impact

	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>	<u>F.Y. 2010</u>	<u>F.Y. 2011</u>
General Fund	\$0	(Unknown)	(Unknown)	(Unknown)

Effective for assessment year 2007 and thereafter.

EXPLANATION OF THE BILL

The bill requires class 2a agricultural homestead, class 2b timberland, or class 2b nonhomestead farmland located in a township and abutting public waters to be assessed as if it did not abut public waters. If the property is developed or platted, the property is assessed at full market value. The owner must notify the county assessor within 30 days of permit application or platting. In the subsequent assessment year, the difference between the taxes levied and taxes computed on full market value multiplied by three would be due.

REVENUE ANALYSIS DETAIL

- The number of properties qualifying under the provisions of the bill is not known.
- For qualifying class 2a agricultural homestead, class 2b timberland, or class 2b nonhomestead farmland properties, net taxes would decrease. Property taxes would shift onto other property types, including homesteads.
- Property tax refunds would increase by an unknown amount for taxes payable in 2008 and thereafter.

Number of Taxpayers: Owners of qualifying class 2a agricultural homestead, class 2b timberland, or class 2b nonhomestead farmland property abutting public waters would be directly affected.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy

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