PROPERTY TAX
Open Space Property

April 5, 2007

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 1502 (Olson, G.) / H.F. 2232 (Smith)

Effective for taxes levied in 2007, payable in 2008, and thereafter.

Under current law, open space designation allows property to be valued at its recreational use, rather than its highest and best use. The bill adds soccer to the list of recreational uses that qualify under the open space provisions. In, addition, the requirement for inclusion is changed from exclusive use to predominant use. The bill provides that the open space designation includes facilities supporting the recreational uses, including supporting structures, such as parking areas, but excluding four season structures, such as clubhouses.

A few properties could be valued at recreational use, rather than highest and best use, under this proposal. The reduction in tax for these properties could result in a shift to homestead properties and a small increase in homeowner property tax refunds.

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

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