

# MINNESOTA · REVENUE

## PROPERTY TAX Property Tax Valuation Criteria for Conservation Easements

March 19, 2013

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 1012 (Skoe) as proposed to be amended (SCS1012A-1)

### Fund Impact

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>
	(000's)			
General Fund	\$0	unknown	unknown	unknown

Effective for taxes payable 2014 and thereafter.

### EXPLANATION OF THE BILL

Under current law, the value of certain real property which is subject to a conservation restriction or easement may be adjusted by the assessor. Under the proposal, the assessor would not be allowed to reduce the value of the property due to conservation restrictions or easements. Under the proposal, subject property may have a higher assessed value than under current law.

### REVENUE ANALYSIS DETAIL

- The proposal may increase forest land values by an unknown amount. Increased forest land values may shift a modest amount of property taxes away from homestead property, reducing state-paid property tax refunds by an unknown amount.

### PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

<i>Transparency, Understandability, Simplicity &amp; Accountability</i>	Neutral	
<i>Efficiency &amp; Compliance</i>	Neutral	
<i>Equity (Vertical &amp; Horizontal)</i>	Neutral	
<i>Stability &amp; Predictability</i>	Increase	Prevents devaluation of property from conservation easements.
<i>Competitiveness for Businesses</i>	Neutral	
<i>Responsiveness to Economic Conditions</i>	Neutral	

The bill is scored on a three point scale (decrease, neutral, increase) for each principle in comparison to current law.

Source: Minnesota Department of Revenue  
Property Tax Division - Research Unit  
[www.revenue.state.mn.us/research\\_stats/  
pages/revenue-analyses.aspx](http://www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx)

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