

# MINNESOTA • REVENUE

## PROPERTY TAX

### Conservation easements valuation reductions reinstated

March 03, 2014

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of H.F. 2102 (Torkelson; Woodard) / S.F. 1933 (Dahms) as introduced

#### Fund Impact

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

Effective beginning with assessment year 2014, for taxes payable 2015.

## EXPLANATION OF THE BILL

The bill removes changes made in the 2013 legislative session, and so restores the 2012 language. Under 2012 statutes, the value of certain real property which is subject to a conservation restriction or easement could have been adjusted by the assessor. Under current law, the assessor is not be allowed to reduce the value of the property due to conservation restrictions or easements. Under the proposal, subject property may have a lower assessed value than under current law.

## REVENUE ANALYSIS DETAIL

- The proposal may decrease forest land values by an unknown amount. Decreased forest land values may shift a modest amount of property taxes to homestead property, increasing state-paid property tax refunds by an unknown amount.

Number of Taxpayers: unknown

## 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>	Neutral
<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)

