

April 25, 2018

PROPERTY TAX

Sustainable forest incentive program eligible land clarification

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 3995 (Bakk) as proposed to be amended (SCS3995A-2)

	Fund Impact			
	FY2018	FY2019	FY2020	FY2021
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective the day following final enactment.

EXPLANATION OF THE BILL

Under current law, forest land enrolled in the Sustainable Forest Incentive Act (SFIA) program is generally prohibited from making improvements to the land, including residential structures and roads. Current law allows land to be improved with a paved trail under easement, lease, or terminable license to the state of Minnesota or a political subdivision beginning for applications made in 2018. The bill would clarify the eligibility of land with a paved trail by modifying the effective date to include certifications made in 2018.

REVENUE ANALYSIS DETAIL

- The proposed clarification to the eligibility of forest land in SFIA would have no impact on the state general fund.

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

Transparency, Understandability, Simplicity & Accountability	Neutral
Efficiency & Compliance	Neutral
Equity (Vertical & Horizontal)	Neutral
Stability & Predictability	Neutral
Competitiveness for Businesses	Neutral
Responsiveness to Economic Conditions	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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