

File Number: H.F. 4395

Date: May 1, 2018

Version: With author's amendment H4395A2

Authors: Anderson, P. and others

Subject: Property tax credit for riparian buffers

Analyst: Steve Hinze (steve.hinze@house.mn)
Janelle Taylor (janelle.taylor@house.mn)

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Overview

H.F. 4395 provides a property tax credit of \$50 per acre for property required to be maintained as a buffer under Minnesota Statutes, section 103F.48.

Section

1 Riparian buffer credit.

Subd. 1. Definition. Defines riparian buffer to be a buffer mandated under Minnesota Statutes, section 103F.48.

Subd. 2. Eligibility requirements. Provides that in order to qualify for the credit under this section:

- ▶ the land must have been tillable land prior to its conversion to a riparian buffer;
- ▶ the land must be required to be maintained as a buffer under section 103F.48, and be identified on a buffer-protection map established by the commissioner of natural resources;
- ▶ the land must not be enrolled in a conservation program that provides income to the landowner;
- ▶ the land owner must not have been compensated for damages under section 103E.315 for installing a buffer; and
- ▶ the landowner must not be subject to an enforcement action under section 103F.48 for the land for which the credit is claimed.

Section

Subd. 3. Application. Requires a landowner to file an application with the county auditor prior to April 1 to receive the credit for the following taxes payable year, except that for 2018 the application deadline is extended to June 15. Once an application is initially accepted, the land remains eligible for the credit in succeeding years, except that the landowner must notify the county auditor in the event of any change in the eligibility of the land for the credit.

Subd. 4. Coordination with administrative entities. Requires the county auditor to notify the local soil and water conservation district (SWCD) of all land for which an application for credit has been received each year, and requires the SWCD to verify the accuracy of the claims. Also requires the Board of Water and Soil Resources (BWSR) or the county agency or watershed district to notify the county auditor of any enforcement actions against land for which the credit is being claimed.

Subd. 5. Amount of credit. Provides for a credit payment of \$50 per acre of eligible land.

Subd. 6. Credit reimbursements. Provides that the county auditor must annually certify the credit amounts to the commissioner of revenue.

Subd. 7. Payment. Provides that the commissioner of revenue must make the payments required under subdivision 6 to local taxing districts other than school districts. Provides that the commissioner of education must make the payments required under subdivision 6 to school districts.

Subd. 8. Appropriation. Provides an open and standing appropriation from the clean water fund to make the payments required under this section.

Effective for taxes payable in 2019.

2 Computation of net taxes. Instructs the county auditor to include the credit under section 1 in determining net property taxes for a parcel.