

Added

Aitkin County Board of Commissioners
Request for County Board Action/Agenda Item Cover Sheet



To: Chairperson, Aitkin County Board of Commissioners Date: 3/25/13

Via: Patrick Wussow, County Administrator

From: Mike Dangers, County Assessor

Title of Item:

Request to Support Proposed Legislation – Conservation Property Tax Valuation

Requested Meeting Date: 3/26/13 Estimated Presentation Time: 15 minutes

Presenter: Mike Dangers

Type of Action Requested (check all that apply)

- For info only, no action requested
For discussion only with possible future action
Let/Award Bid or Quote
Approve/adopt proposal by motion
Authorize filling vacant staff position
Request to schedule public hearing or sale
Request by member of the public to be heard
Item should be addressed in closed session under MN Statute
Approve under Consent Agenda
Adopt Ordinance Revision
Approve/adopt proposal by resolution

Fiscal Impact (check all that apply)

Is this item in the current approved budget? Yes No
What type of expenditure is this? Operating Capital Other
Revenue line account # that funds this item is:
Expenditure line account # for this item is:

Staffing Impact (Any yes answer requires a review by Human Resources Manager before going to the board)

Duties of a department employee(s) may be materially affected. Yes No
Applicable job description(s) may require revision. Yes No
Item may impact a bargaining unit agreement or county work policy. Yes No
Item may change the department's authorized staffing level. Yes No



Supporting Attachment(s)

- Memorandum Summary of Item
Copy of applicable county policy and/or ordinance
Copy of applicable state/federal statute/regulation
Copy of applicable contract and/or agreement
Original bid spec or quote request
Bids/quotes received
Bid/quote comparison worksheet
Draft County Board resolution
Plat approval check-list and supporting documents
Copy of previous minutes related to this issue
Other supporting document(s)

Provide (1) copy of supporting documentation NO LATER THAN Wednesday at Noon to make the Board's agenda for the following Tuesday. (If your packet contains colored copies, please provide (4) paper copies of supporting documentation as we do not have a color printer or copier.) Items WILL NOT be placed on the Board agenda unless complete documentation is provided for the Board packets.



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MEMO

March 25, 2013

To: County Board of Commissioners
County Administrator

From: Mike Dangers, County Assessor 

Re: Request to Support Proposed Legislation – Conservation Property Tax Valuation

The Minnesota Legislature is currently considering House File 1161 and Senate File 1012. These measures would require assessors to value certain conservation easement encumbered property using the “full bundle of rights” to property ownership, also known as the fee simple estate.

These bills are important because without them, the northern Minnesota property tax base may face huge reductions. The end result is tax increases to most other properties including low income homeowners and small businesses.

While reducing valuations due to the loss of certain ownership rights makes sense in certain instances, when these valuation reductions are done en masse without provision for the loss of tax base, the property owners least able to pay their taxes will end up being the loser.

Attached to this memo is a copy of House File 1161, Senate File 1012, and the proposed Conservation Property Tax Resolution.

**SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE**

S.F. No. 1012

(SENATE AUTHORS: SKOE)

DATE	D-PG	OFFICIAL STATUS
03/04/2013	479	Introduction and first reading Referred to Taxes

1.1 A bill for an act
 1.2 relating to outdoor heritage; establishing property tax valuation criteria for
 1.3 conservation easements purchased with outdoor heritage funds; amending
 1.4 Minnesota Statutes 2012, section 273.117.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2012, section 273.117, is amended to read:

1.7 **273.117 CONSERVATION PROPERTY TAX VALUATION.**

1.8 (a) Except as provided under paragraph (b), the value of real property which is
 1.9 subject to a conservation restriction or easement may be adjusted by the assessor if:

1.10 (a) (1) the restriction or easement is for a conservation purpose as defined in section
 1.11 84.64, subdivision 2, and is recorded on the property; and

1.12 (b) (2) the property is being used in accordance with the terms of the conservation
 1.13 restriction or easement.

1.14 (b) The assessor shall value in fee simple any real property subject to one or more
 1.15 conservation easements acquired in whole or in part with money from the outdoor heritage
 1.16 fund established under the Minnesota Constitution, article XI, section 15.

1.17 **EFFECTIVE DATE.** This section is effective for assessment year 2013 and
 1.18 thereafter, for taxes payable in 2014 and thereafter.

This Document can be made available
in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1161

03/04/2013 Authored by Dill
The bill was read for the first time and referred to the Committee on Taxes

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Conservation Property Tax Valuation

WHEREAS, substantial Minnesota sales tax dollars from the Clean Water, Land, and Legacy Amendment have gone to fund conservation easements in this State;

WHEREAS, these conservation easements should not be used to reduce the property tax valuations of encumbered lands resulting in increased tax burdens for many other property owners;

WHEREAS, the valuation of property in the fee simple estate provides a more equitable system of property taxation;

WHEREAS, several thousand acres of conservation easement encumbered land exists in Aitkin County;

NOW THEREFORE BE IT RESOLVED, that the Aitkin County Board supports the current language of House File 1012 and Senate File 1161.