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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1680

02/27/2025 Authored by Davids; Anderson, P. H.; Burkel; Nelson; Gander and others
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; property; establishing the agricultural riparian buffer property
1.3 tax exemption; requiring reimbursement to taxing jurisdictions; amending
1.4 Minnesota Statutes 2024, sections 272.02, by adding a subdivision; 273.1392;
1.5 proposing coding for new law in Minnesota Statutes, chapter 272.

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

1.7 Section 1. Minnesota Statutes 2024, section 272.02, is amended by adding a subdivision
1.8 to read:

1.9 Subd. 106. Agricultural riparian buffer. (a) A riparian buffer or buffer, as defined in
1.10 section 103F.48, that is located on class 2a and 2b property under section 273.13, subdivision
1.11 23, is exempt, provided that the landowner is in compliance with the requirements of section
1.12 103F.48.

1.13 (b) A taxpayer requesting exemption of all or a portion of any real property used as a
1.14 riparian buffer must submit an application to the county assessor. The commissioner of
1.15 revenue, in consultation with the Board of Water and Soil Resources, must prescribe the
1.16 form and manner of the application. The county assessor and local soil and water conservation
1.17 district must determine the portion of the parcel that contains a riparian buffer under section
1.18 103F.48. The local soil and water conservation district must certify eligible land to the
1.19 county by November 15 of the year prior to each assessment year. A local soil and water
1.20 conservation district must annually notify the county assessor of any landowner who is not
1.21 in compliance with the requirements of section 103F.48. If a landowner is no longer in
1.22 compliance with the requirements of this subdivision, the county assessor must remove the
1.23 exemption on the next January 2 assessment date.

2.1 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2026
2.2 and thereafter.

2.3 Sec. 2. **[272.0214] AGRICULTURAL RIPARIAN BUFFER EXEMPTION.**

2.4 Subdivision 1. **Certification.** For land qualifying for an exemption under section 272.02,
2.5 subdivision 106, the county auditor must certify to the commissioner of revenue the
2.6 information necessary for the commissioner to determine the reimbursements made under
2.7 subdivision 3. The county auditor must certify the information for each taxes payable year
2.8 as part of the data required under section 270C.85, subdivision 2. The county auditor must
2.9 also certify any prior-year adjustments as part of the data required under section 270C.85,
2.10 subdivision 2. The commissioner must review the certifications for accuracy and may make
2.11 any changes deemed necessary or return the certification to the county auditor for correction.

2.12 Subd. 2. **Calculation.** The commissioner of revenue shall calculate the reimbursement
2.13 amounts attributable to the exemption under section 272.02, subdivision 106, for each local
2.14 taxing district based on the information certified under subdivision 1.

2.15 Subd. 3. **Payment.** (a) The commissioner of revenue shall reimburse each local taxing
2.16 jurisdiction, other than school districts, for the gross property tax amount attributed to the
2.17 exemption under section 272.02, subdivision 106, in two equal installments on October 31
2.18 and December 26 of the taxes payable year for which the exemptions are granted, including
2.19 in each payment the prior-year adjustments certified under section 270C.85, subdivision 2,
2.20 for that taxes payable year.

2.21 (b) The commissioner of revenue shall certify the total of the reimbursements attributed
2.22 to the exemption under section 272.02, subdivision 106, for each taxes payable year within
2.23 each school district to the commissioner of education. The commissioner of education must
2.24 pay the reimbursement amounts to each school district as provided in section 273.1392.

2.25 (c) The reimbursement to each local taxing jurisdiction under this subdivision must be
2.26 equal to the reduction in gross property tax payable to each local taxing jurisdiction resulting
2.27 from the exemption under section 272.02, subdivision 106.

2.28 Subd. 4. **Appropriation.** An amount sufficient to make the payments required by this
2.29 section to taxing jurisdictions other than school districts is annually appropriated from the
2.30 general fund to the commissioner of revenue. An amount sufficient to make the payments
2.31 required by this section for school districts is annually appropriated from the general fund
2.32 to the commissioner of education.

3.1 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2026
3.2 and thereafter.

3.3 Sec. 3. Minnesota Statutes 2024, section 273.1392, is amended to read:

3.4 **273.1392 PAYMENT; SCHOOL DISTRICTS.**

3.5 The amounts of agricultural riparian buffer reimbursements under section 272.0214;
3.6 bovine tuberculosis credit reimbursements under section 273.113; conservation tax credits
3.7 under section 273.119; disaster or emergency reimbursement under sections 273.1231 to
3.8 273.1235; agricultural credits under sections 273.1384 and 273.1387; aids and credits under
3.9 section 273.1398; enterprise zone property credit payments under section 469.171;
3.10 metropolitan agricultural preserve reduction under section 473H.10; and electric generation
3.11 transition aid under section 477A.24 for school districts, shall be certified to the Department
3.12 of Education by the Department of Revenue. The amounts so certified shall be paid according
3.13 to section 127A.45, subdivisions 9, 10, and 13.

3.14 **EFFECTIVE DATE.** This section is effective beginning with fiscal year 2027.