

State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3464

03/21/2016 Authored by Anderson, P.; Davids; Pierson; Backer; Quam and others  
The bill was read for the first time and referred to the Committee on Taxes

A bill for an act

relating to taxation; property; providing a property tax reduction for land  
constituting a riparian buffer; appropriating money; amending Minnesota  
Statutes 2014, section 273.1393; proposing coding for new law in Minnesota  
Statutes, chapter 273.

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

Section 1. **[273.1387] RIPARIAN BUFFER CREDIT.**

Subdivision 1. **Definition.** For the purposes of this section, "riparian buffer" means  
land subject to the requirements of section 103F.48.

Subd. 2. **Requirements; application.** (a) Land constituting a riparian buffer that is  
classified under section 273.13, subdivision 23, and that is not enrolled in a conservation  
program that provides income to the landowner, is entitled to a credit under this section.  
In order to receive the credit, the landowner must file an application with the assessor. The  
application must specifically identify the land meeting the requirements of this section.  
The application must be received prior to April 1 in order for the credit to be in effect for  
taxes payable in the following year, except that an application may be filed through June  
30, 2016, for the credit to be in effect for taxes payable in 2017. Once an application has  
been accepted, further applications are not required in order to receive the credit in future  
years, unless use or ownership of the land has changed. The form of the application must  
be prescribed by the commissioner of revenue.

(b) A landowner whose property receives the credit must file an affidavit with  
the county assessor at least once every three years verifying that the buffer has been  
maintained according to the requirements of section 103F.48.

2.1 Subd. 3. **Valuation of land subject to buffer requirement.** The assessor must not  
2.2 reduce the value of any land eligible for a credit under this section due to any restrictions  
2.3 on the use of the land under section 103F.48.

2.4 Subd. 4. **Amount of credit.** Land meeting the requirements of subdivision 2 is  
2.5 eligible for a credit equal to 100 percent of net taxes payable.

2.6 Subd. 5. **Credit reimbursements.** The county auditor shall determine the tax  
2.7 reductions allowed under subdivision 4 within the county for each taxes payable year and  
2.8 shall certify that amount to the commissioner of revenue as a part of the abstracts of tax  
2.9 lists submitted by the county auditors under section 275.29. Any prior year adjustments  
2.10 shall also be certified on the abstracts of tax lists. The commissioner shall review the  
2.11 certifications for accuracy, and may make such changes as are deemed necessary or return  
2.12 the certification to the county auditor for correction. The credit under this section must be  
2.13 used to proportionately reduce the net tax capacity-based property tax payable to each  
2.14 local taxing jurisdiction as provided in section 273.1393.

2.15 Subd. 6. **Payment.** (a) The commissioner of revenue shall reimburse each local  
2.16 taxing jurisdiction, other than school districts, for the tax reductions granted under  
2.17 subdivision 4, in two equal installments on October 31 and December 26 of the taxes  
2.18 payable year for which the reductions are granted, including in each payment the prior  
2.19 year adjustments certified on the abstracts for that taxes payable year. The reimbursements  
2.20 related to tax increments shall be issued in one installment each year on December 26.

2.21 (b) The commissioner of revenue shall certify the total of the tax reductions  
2.22 granted under subdivision 4 for each taxes payable year within each school district  
2.23 to the commissioner of education, and the commissioner of education shall pay the  
2.24 reimbursement amounts to each school district as provided in section 273.1392.

2.25 Subd. 7. **Appropriation.** An amount sufficient to make the payments required by  
2.26 this section to taxing jurisdictions other than school districts is annually appropriated  
2.27 from the general fund to the commissioner of revenue. An amount sufficient to make the  
2.28 payments required by this section for school districts is annually appropriated from the  
2.29 general fund to the commissioner of education.

2.30 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2017  
2.31 for buffer land bordering public waters, as defined under Minnesota Statutes, section  
2.32 103G.005, subdivision 15, and effective beginning with taxes payable in 2018 for other  
2.33 land qualifying under this section.

3.1 Sec. 2. Minnesota Statutes 2014, section 273.1393, is amended to read:

3.2 **273.1393 COMPUTATION OF NET PROPERTY TAXES.**

3.3 Notwithstanding any other provisions to the contrary, "net" property taxes are  
3.4 determined by subtracting the credits in the order listed from the gross tax:

3.5 (1) disaster credit as provided in sections 273.1231 to 273.1235;

3.6 (2) powerline credit as provided in section 273.42;

3.7 (3) agricultural preserves credit as provided in section 473H.10;

3.8 (4) enterprise zone credit as provided in section 469.171;

3.9 (5) disparity reduction credit;

3.10 (6) conservation tax credit as provided in section 273.119;

3.11 (7) riparian buffer credit under section 273.1387;

3.12 (8) agricultural credit as provided in section 273.1384;

3.13 ~~(8)~~ (9) taconite homestead credit as provided in section 273.135;

3.14 ~~(9)~~ (10) supplemental homestead credit as provided in section 273.1391; and

3.15 ~~(10)~~ (11) the bovine tuberculosis zone credit, as provided in section 273.113.

3.16 The combination of all property tax credits must not exceed the gross tax amount.

3.17 **EFFECTIVE DATE.** This section is effective for taxes payable in 2018 and  
3.18 thereafter.