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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1275

02/26/2015 Authored by Lucero and Drazkowski
The bill was read for the first time and referred to the Committee on Agriculture Policy

1.1 A bill for an act
1.2 relating to taxation; property; providing for county assessors to determine land
1.3 value for Green Acres; amending Minnesota Statutes 2014, sections 273.111,
1.4 subdivision 4; 273.114, subdivision 3.

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

1.6 Section 1. Minnesota Statutes 2014, section 273.111, subdivision 4, is amended to read:

1.7 Subd. 4. **Determination of value.** (a) The value of any real estate described
1.8 in subdivision 3 shall upon timely application by the owner, in the manner provided
1.9 in subdivision 8, be determined solely with reference to its appropriate agricultural
1.10 classification and value notwithstanding sections 272.03, subdivision 8, and 273.11.
1.11 Furthermore, the assessor shall not consider any added values resulting from
1.12 nonagricultural factors. ~~In order to account for the presence of nonagricultural influences
1.13 that may affect the value of agricultural land, the commissioner of revenue shall, in
1.14 consultation with the Department of Applied Economics at the University of Minnesota,
1.15 develop a fair and uniform method of determining the average value of agricultural
1.16 land for each county in the state consistent with this subdivision. The values must be
1.17 determined using appropriate sales data. When appropriate, the commissioner may
1.18 make reasonable adjustments to the values based on the most recent available county or
1.19 regional data for agricultural production, commodity prices, production expenses, rent,
1.20 and investment return. The commissioner shall annually assign the resulting countywide
1.21 average value to each county, and these values shall be used as the basis for determining
1.22 the agricultural value for all properties in the county qualifying for tax deferral under
1.23 this section. The county assessor, in consultation with the Department of Revenue, shall
1.24 determine the relative value of agricultural land for each assessment district in comparison~~

2.1 ~~to the countywide average value~~, considering and giving recognition to appropriate
2.2 agricultural market and soil data available.

2.3 (b) In the case of property qualifying for tax deferment only under subdivision 3a,
2.4 the assessor shall not consider the presence of commercial, industrial, residential, or
2.5 seasonal recreational land use influences in determining the value for ad valorem tax
2.6 purposes ~~provided that in no case shall the value exceed the value prescribed by the~~
2.7 ~~commissioner of revenue for class 2a tillable property in that county.~~

2.8 **EFFECTIVE DATE.** This section is effective beginning for taxes payable in 2016.

2.9 Sec. 2. Minnesota Statutes 2014, section 273.114, subdivision 3, is amended to read:

2.10 Subd. 3. **Determination of value.** Notwithstanding sections 272.03, subdivision
2.11 8, and 273.11, the value of any real estate that qualifies under subdivision 2 must, upon
2.12 timely application by the owner in the manner provided in subdivision 5, not exceed the
2.13 value ~~prescribed by the commissioner of revenue~~ for class 2a tillable property in that
2.14 county. The house and garage, if any, and the immediately surrounding one acre of land
2.15 and a minor, ancillary nonresidential structure, if any, shall be valued according to their
2.16 appropriate value. In determining the value for ad valorem tax purposes, the assessor shall
2.17 not consider the presence of commercial, industrial, residential, or seasonal recreational
2.18 land use influences that may affect the value of real estate subject to this section.

2.19 **EFFECTIVE DATE.** This section is effective beginning for taxes payable in 2016.