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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 3160

February 25, 2010

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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; providing a method for valuation of agricultural property in
1.3 the green acres program; modifying the Minnesota agricultural property tax law;
1.4 amending Minnesota Statutes 2009 Supplement, section 273.111, subdivision 4.

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

1.6 Section 1. Minnesota Statutes 2009 Supplement, section 273.111, subdivision 4,
1.7 is amended to read:

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

2.1 each assessment district compared to the county average, the county assessor shall use soil
2.2 type and soil classification data from detailed and general soil surveys.

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 for taxes payable in 2011 and
2.9 thereafter.