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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 825

01/25/2023 Authored by Lislegard; Olson, L.; Skraba; Kresha; Davis 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; payment in lieu of taxes; increasing payments; modifying
1.3 valuation; requiring a report; amending Minnesota Statutes 2022, section 477A.12,
1.4 subdivisions 1, 3, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2022, section 477A.12, subdivision 1, is amended to read:

1.7 Subdivision 1. Types of land; payments. The following amounts are annually
1.8 appropriated to the commissioner of natural resources from the general fund for transfer to
1.9 the commissioner of revenue. The commissioner of revenue shall pay the transferred funds
1.10 to counties as required by sections 477A.11 to 477A.14. The amounts, based on the acreage
1.11 as of July 1 of each year prior to the payment year, are:

1.12 (1) \$5.133 multiplied by the total number of acres of acquired natural resources land or,
1.13 at the county's option three-fourths of one percent of the appraised value of all acquired
1.14 natural resources land in the county, whichever is greater;

1.15 (2) \$5.133, multiplied by the total number of acres of transportation wetland or, at the
1.16 county's option, three-fourths of one percent of the appraised value of all transportation
1.17 wetland in the county, whichever is greater;

1.18 (3) \$5.133, multiplied by the total number of acres of wildlife management land, or, at
1.19 the county's option, three-fourths of one percent of the appraised value of all wildlife
1.20 management land in the county, whichever is greater;

1.21 (4) 50 percent of the dollar amount as determined under clause (1), multiplied by the
1.22 number of acres of military refuge land in the county;

2.1 (5) ~~\$2~~ \$3, multiplied by the number of acres of county-administered other natural  
 2.2 resources land in the county;

2.3 (6) \$5.133, multiplied by the total number of acres of land utilization project land in the  
 2.4 county;

2.5 (7) ~~\$2~~ \$3, multiplied by the number of acres of commissioner-administered other natural  
 2.6 resources land in the county; ~~and~~

2.7 (8) \$0.18, multiplied by the total number of acres in the county eligible for payment  
 2.8 under clauses (1) to (7), provided that the total number of acres in the county eligible for  
 2.9 payment under clauses (1) to (7) is equal to or greater than 25 percent of the total acreage  
 2.10 in the county;

2.11 (9) \$0.08, multiplied by the total number of acres in the county eligible for payment  
 2.12 under clauses (1) to (7), provided that the total number of acres in the county eligible for  
 2.13 payment under clauses (1) to (7) is equal to or greater than ten percent, but less than 25  
 2.14 percent of the total acreage in the county; and

2.15 (10) without regard to acreage, and notwithstanding the rules adopted under section  
 2.16 84A.55, \$300,000 for local assessments under section 84A.55, subdivision 9, that shall be  
 2.17 divided and distributed to the counties containing state-owned lands within a conservation  
 2.18 area in proportion to each county's percentage of the total annual ditch assessments.

2.19 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

2.20 Sec. 2. Minnesota Statutes 2022, section 477A.12, subdivision 3, is amended to read:

2.21 Subd. 3. **Determination of appraised value.** For the purposes of this section, the  
 2.22 appraised value of acquired natural resources land is the purchase price until the next six-year  
 2.23 appraisal required under this subdivision. The appraised value of acquired natural resources  
 2.24 land received as a donation is the value determined for the commissioner of natural resources  
 2.25 by a licensed appraiser, or the county assessor's estimated market value if no appraisal is  
 2.26 done. The appraised value must be determined by the county assessor every six years, except  
 2.27 that the appraised value shall not be less than the most recent appraised value. All reappraisals  
 2.28 shall be done in the same year as county assessors are required to assess exempt land under  
 2.29 section 273.18.

2.30 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

3.1 Sec. 3. Minnesota Statutes 2022, section 477A.12, is amended by adding a subdivision to  
3.2 read:

3.3 Subd. 4. **Adjustment.** The commissioner shall annually adjust the amounts in subdivision  
3.4 1, clauses (1) to (10), as provided in section 270C.22, subdivision 1, except as provided in  
3.5 this subdivision. To determine the dollar amounts for payments in calendar year 2025, the  
3.6 commissioner shall determine the percentage change in the index for the 12-month period  
3.7 ending on August 31, 2024, and increase each of the unrounded dollar amounts in section  
3.8 477A.12, subdivision 1, by that percentage change. For each subsequent year, the  
3.9 commissioner shall increase the dollar amounts by the percentage change in the index from  
3.10 August 31 of the year preceding the statutory year, to August 31 of the year preceding the  
3.11 taxable year. The commissioner shall round the amounts as adjusted to the nearest tenth of  
3.12 a cent.

3.13 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

3.14 Sec. 4. **STUDY OF STATE-OWNED LAKESHORE.**

3.15 No later than January 31, 2024, the commissioner of revenue, in consultation with the  
3.16 Department of Natural Resources and counties, must produce a report on valuation methods  
3.17 used to value the acreage and shoreline areas within all commissioner-administered and  
3.18 county-administered other natural resources land, as defined in Minnesota Statutes, section  
3.19 477A.11, subdivision 4. The report must comply with the requirements of Minnesota Statutes,  
3.20 sections 3.195 and 3.197. The report must include, by county, the most recent assessed  
3.21 value and acreage, and the assessed value and acreage for the two most recent assessments,  
3.22 as required under Minnesota Statutes, section 273.18, paragraph (b), aggregated by parcels  
3.23 containing shoreline and by parcels not containing shoreline area. Counties must report to  
3.24 the commissioner of revenue any necessary data by September 30, 2023. The commissioner  
3.25 must provide a copy of the report to the chairs and ranking minority members of the  
3.26 legislative committees with jurisdiction over taxes and property taxation by January 31,  
3.27 2024.

3.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.