

Resolution for Adoption by the Avon Hills Initiative

Property Tax Reform for undeveloped, non-agricultural lands in Minnesota.

WHEREAS The Avon Hills Initiative, a citizens group, and the Stearns County Comprehensive Plan call for protection of open spaces because these lands provide public benefits of clean air, clean water, wildlife habitat, and scenic beauty; and

WHEREAS property taxes on undeveloped lands which exceed the value of the owners economic and non-economic land ownership benefits can induce landowners to sub-divide for development and thereby reduce the desired public benefits; and

WHEREAS the Stearns County Assessor and the Stearns County Board have determined to assess all undeveloped parcels of >40 acres with road access the additional value of their zoned housing allotment whether the owner has any interest in selling for housing or not; and

WHEREAS this policy is supported by the MN Department of Revenue as sound assessment policy; and

WHEREAS that increased assessed value is estimated to be about an additional \$40,000 per 40 acres on land already assessed at \$100,000 per 40 acres; and

WHEREAS Agricultural producers have the opportunity to mitigate the effect of the increased assessment through property classes or programs which reduce the actual tax paid (such as Green Acres and the 2A Ag lands tax class); and

WHEREAS owners of non-agricultural, undeveloped land do not have any equivalent opportunity; and

WHEREAS The MN Department of Revenue (MN DOR) has recognized this inequity and proposed solutions in their Feb 2006 "Rural Woodlands" report

(www.taxes.state.mn.us/property/other_supporting_content/final_timber-woodlands_report.pdf); therefore

BE IT RESOLVED that the Avon Hills Initiative will contact the MN DOR and support the concept of providing property tax reform which enables landowners of undeveloped, non-agricultural parcels of 40 acres and greater to be taxed at a level which encourages retention of the land in an undeveloped and well-managed state.

Action taken by the Avon Hills Initiative:

Recommended by vote of the Executive Committee for presentation to the County:



Peter Dwyer, Chair
31 January 2007