

**PROPERTY TAX
Soil and Water Conservation
District Aid program established**

January 31, 2023

	Yes	No
DOR Administrative Costs/Savings	X	

Department of Revenue
Analysis of S.F. 0526 (Klein) / H.F. 0735 (Reyer) as introduced

	Fund Impact			
	F.Y. 2024	F.Y. 2025	F.Y. 2026	F.Y. 2027
	(000's)			
General Fund	(\$22,000)	(\$22,000)	(\$22,000)	(\$22,000)

Effective beginning with aids payable 2023.

EXPLANATION OF THE BILL

The proposal would create an aid program for soil and water conservation districts. The aid program would have an annual appropriation of \$22 million. 70% of the appropriation would be split evenly between all soil and water conservation districts, 20% apportioned based on a soil and water conservation district’s share of nonpublic lands, and the remaining 10% would be based on a soil and water conservation district’s share of state population.

REVENUE ANALYSIS DETAIL

- There are 88 soil and water conservation districts in Minnesota, with at least one district in each of the 87 counties except for Hennepin and Ramsey Counties. Three of the larger counties have two districts: Otter Tail, Polk, and St. Louis. Hennepin and Ramsey Counties have special legislative authority to carry out soil and water conservation district authorities and would therefore be included in aid payments.
- The new aid program would increase annual state general fund costs by \$22 million for fiscal year 2024 and thereafter.

PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral	
<i>Efficiency & Compliance</i>	Neutral	
<i>Equity (Vertical & Horizontal)</i>	Neutral	
<i>Stability & Predictability</i>	Increase	Soil and water conservation districts may have more stable funding.
<i>Competitiveness for Businesses</i>	Neutral	
<i>Responsiveness to Economic Conditions</i>	Neutral	

The bill is scored on a three-point scale (decrease, neutral, increase) for each principle in comparison to current law.

Source: Minnesota Department of Revenue
Property Tax Division – Research Unit
<https://www.revenue.state.mn.us/revenue-analyses>

sf0526(hf0735) SW Conservation District Aid_pt_1/css