



S.F. No. 960 – Establishing Agricultural Riparian Buffer Property Tax Credit; Reducing Riparian Protection Aid (as proposed to be amended by A-1 delete-everything amendment)

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SF 960 establishes a new agricultural riparian buffer property tax credit and reduces riparian protection aid.

Section 1 – Agricultural Riparian Buffer Credit

Subdivision 1. Eligibility. Provides that property classified as Class 2a agricultural land for assessment year 2017 and containing a riparian buffer as required under section 103F.48 is eligible for a property tax credit, provided that the landowner is compliant with the requirements of the riparian buffer law, and the land is not enrolled in an identified federal or state conservation program. Eligible land must be certified by the local soil and water conservation district.

Subdivision 2. Credit amount. Sets the amount of the property tax credit equal to 40% of amount of net tax capacity-based property taxes attributable to the portion of the property subject to the buffer requirement.

Subdivision 3. Credit reimbursement. Requires the county auditor to determine the tax reductions allowed under this section and certify the amounts to the commissioner of revenue.

Subdivision 4. Payment. Requires the commissioners of education and revenue to reimburse school districts and other local taxing jurisdictions for the tax reductions resulting from the credit.

Subdivision 5. Appropriation. Annually appropriates a sufficient amount from the general fund to the commissioners of education and revenue to make the payments required under subdivision 4.

Effective beginning with taxes payable in 2026.

Section 2. Payment; school districts. Adds the property tax credit to the list of school district reimbursable credits. Effective July 1, 2026.

Section 3. Computation of net property taxes. Adds the property tax credit to the list of credits used in calculating net property taxes. Effective beginning with taxes payable in 2026.

Section 4. Notice of proposed property taxes. Adds the property tax credit to the proposed property tax statement. Effective beginning with taxes payable in 2026.

Section 5. Contents of tax statements. Adds the property tax credit to the property tax statement. Effective beginning with taxes payable in 2026.

Section 6. Appropriation; Riparian Protection Aid. Reduces the annual appropriation under section 477A.22 from the general fund to the commissioner of revenue to make Riparian Protection Aid payments under section 477A.21. Under current law, \$8,000,000 is appropriated in each fiscal year. Under SF 960 as proposed to be amended by A-1, \$8,000,000 is appropriated in fiscal year 2026; \$4,160,000 in fiscal year 2027, \$3,940,000 in fiscal year 2028, and \$3,830,000 in fiscal year 2029 and thereafter. Effective beginning with aids payable in 2025.



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