



RIM easements and property tax valuation

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Conservation easements are an important conservation tool that provides a variety of significant public benefits, including clean water, wildlife habitat and flood mitigation. Conservation easements also keep lands in private ownership and on the tax rolls. According to a recent report by the Office of the Legislative Auditor (OLA), there are currently about 600,000 acres of land protected by state-funded conservation easements in Minnesota. Approximately half these acres are enrolled in BWSR's RIM programs.

The effect of a conservation easement on a parcel's property value depends on a variety of factors, including the location of the property and the restrictions on use and development of the property put in place by the easement. Until a recent change in law, local assessors were allowed to determine the effects of a conservation easement, if any, on the property tax assessment on a case-by-case basis.

A change in law

In 2013, the Minnesota Legislature included a provision in the Tax Bill affecting the way in which local assessors must treat conservation easement when valuing property for tax purposes. This change *prohibits* a reduction of property value based on a conservation easement unless the easement falls into one or more of the following categories:

1. Easements covering riparian buffers along lakes, rivers, and streams that are used for water quantity or quality control
2. Easements in a county that has adopted, by referendum, a program to protect farmland and natural areas since 1999
3. Easements entered into prior to May 23, 2013

Exceptions to the new law

Given the new law and its exceptions, landowners considering a RIM easement should talk with the local tax assessor to better understand how the easement will affect taxes on their individual parcel. The following information is intended to assist SWCD staff and landowners.

Riparian easements

The Reinvest in Minnesota (RIM) easement program is authorized in Minnesota Statute, and the Statute (103F.511) provides a definition of "riparian land" that applies to RIM easements. Under this definition, "riparian land" defines lands adjacent to public waters, drainage systems, wetlands or locally designated priority waters.

County program to protect farmland and natural areas

The only county that has adopted (by referendum) a program to protect farmland and natural areas since 1999 is Dakota County.

Easements entered into prior to May 23, 2013

All RIM easements are signed and dated by the landowner prior to being recorded. To determine whether an easement was entered prior to May 23, 2013, landowners should check the date on which the easement was signed.