STATE OF MINNESOTA
Legislative Budget Office

Summary of the Open Space Tax Expenditure Evaluation

PREPARED FOR THE TAX EXPENDITURE REVIEW COMMISSION

AUGUST 19, 2026

What is the Open Space Program (OSP)?

- Enacted in 1969 and last modified in 2005
- Privately owned recreational facilities exclusively devoted to golf, skiing, lawn bowling, croquet, polo, or archery or firearm ranges are entitled to preferential valuation and tax deferment if they meet certain requirements
- The Open Space Program allows qualifying facilities to be valued at their current use rather than what would be the highest and best use
- When a facility no longer qualifies for OSP, taxes are due equal to the amount by which the preferential valuation reduced the tax for the previous seven years

Tax Expenditure Objective

The Open Space Property tax law (OSP) is intended to encourage the preservation and development of private outdoor, recreational, open space and park land which would otherwise not occur or have to be provided by governmental authority.

This objective was approved and adopted by the Tax Expenditure Review Commission on March 15, 2024.

Evaluation Summary

- Due to data limitations, the LBO is unable to determine if the Open Space Property tax law has encouraged the preservation and development of private outdoor recreational facilities over time
- From 2004 to 2024, most of the facilities enrolled in the program have been golf courses
- Net enrolled facilities declined from 76 in 2004 to 72 in 2024
- Properties that left the program most often sold for residential development
- Open Space deferments shift tax liability from qualifying properties to all other properties in the same taxing jurisdictions
- Interviews with county assessors revealed potential modifications

LBO Contacts

- Kristi Schroedl | Deputy Director | kristi.Schroedl@lbo.mn.gov | 651-284-6544
- Carlos Guereca | carlos.guereca@lbo.mn.gov | 651-284-6541
- Thomas Raney | thomas.raney@lbo.mn.gov | 651-284-6438
- Joel Enders | joel.enders@lbo.mn.gov | 651-284-6542
- Tax Expenditure Review Commission LBO TERC Website