Tax Expenditure Review Commission Member Evaluation Summary: TEB 13.2.03 Open Space Property

Tax Expenditure Facts

Year of Adoption: 1969
Statute: Minnesota Statutes 2025, section 273.112
Tax Type: Property Tax
Provision Type: Preferential Computation
Fiscal Impact Estimate: $17,500,000 – Fiscal Year 2027
Latest Claims Estimate: 69 Facilities - Taxes Payable Year 2024
Sunset Date: None

This expenditure is the result of state conformity to the Federal Code: No

Commission Approved Objective:

The Open Space Property Tax Law 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.

Member Responses

Business (check all that apply):

	Choice Count
Job Creation & Maintenance	1
Investment	3
Competitiveness/Strategic	1
Health/Environmental/Social Justice	3
Other	0

Individual (check all that apply):

	Choice Count
Relief of Poverty	0
Progressivity/Assistance to Low Earners	0
Access to Opportunity	3
Health/Environment/Social Justice	2
Other	0

Recommendation to the Legislature

	Continue	Repeal	Modify	Total
Choice Count	2	0	3	5

Measurement and Effectiveness Ratings Summary

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree	Total
We can measure the overall benefit towards achieving the objective(s).	0	2	1	1	1	5
The expenditure’s benefit justifies its fiscal cost.	1	2	0	1	1	5
The expenditure is claimed by its intended beneficiaries.	0	0	0	2	3	5
The expenditure is claimed by a broad group of taxpayers.	1	2	1	1	0	5
The expenditure amount claimed per taxpayer is meaningful as an incentive/benefit.	1	1	0	2	1	5
The expenditure is relevant today.	1	2	0	0	2	5
The expenditure is primarily beneficial to smaller businesses.	0	1	1	1	2	5
The expenditure is primarily beneficial to lower income taxpayers.	3	0	2	0	0	5

Member Comments

The shifting of property tax responsibility to make room for private recreational uses of land is likely not the best use of our tax expenditure system. While we do need to preserve open spaces and recreational spaces, when many of them lead to private uses, which don't benefit the wider public, we should reconsider. I would strongly suggest the legislature review and modify this expenditure.

Modify to put caps on amount of property tax benefit.