

May 9, 2018

**RE: HF 4395/SF 3960 – Property tax credit for land constituting a riparian buffer**

Dear Governor Dayton,

On behalf of the undersigned organizations, we write to express our concern about HF 4395/SF 3960 and the use of Clean Water Funds to fund a property tax credit of \$50 per acre for buffers established under Chapter 103F.48. Since its passage, we have been strong supporters of both the buffer initiative and the commitment of Minnesota's agricultural community to improve our water quality. However, we cannot support the use of Clean Water Funds established by the 2008 Clean Water, Land and Legacy Amendment for property tax relief.

The constitutional language approved by voters clearly specifies the scope of allowable uses for the Clean Water Fund. These dedicated funds must be:

*[S]pent only to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation and at least five percent of the clean water fund must be spent only to protect drinking water sources. Minn. Constitution, Art. XI, Section 15.*

The Legacy Amendment reflected growing citizen concern about the need for a new infusion of funds to protect our water and natural resources. Under the constitutional language, overwhelmingly supported by Minnesota voters, Clean Water Funds cannot be expended for purposes other than the protection, enhancement, or restoration of water resources.

The tax credit proposed in this bill is a permanent payment for the purpose of property tax relief; it is not compensation for the cost of establishing a buffer. Tax relief such as this has traditionally been provided through the general fund. The Clean Water Fund, which expires in 2034, is not the appropriate source of funding for this type of permanent tax credit.

The fiscal impact of this legislation has been estimated to be \$12.2 million for the first year, growing to \$15.15 million thereafter and in perpetuity. For FY 2020-21 this will represent 12% of all available Clean Water Funds. The diversion of Legacy Amendment sales tax dollars for tax credits substantially reduces the funding available to SWCDs, watershed districts, local governments, and critical state and local programs for improving Minnesota's lakes, rivers, streams, and drinking water.

As you consider this legislation, we urge you to fund this proposed tax relief with general funds, not Legacy Funds. Thank you for your work on behalf of Minnesota's natural resources.

Sincerely,

Audubon Minnesota  
Friends of the Mississippi River  
Izaak Walton League – Minnesota Division  
Minnesota Deer Hunters Association  
Minnesota Land Trust  
Minnesota Conservation Federation  
Parks and Trails Council of Minnesota  
National Wild Turkey Federation, MN Chapter  
Minnesota Waterfowl Association  
Minnesota Center for  
Environmental Advocacy

Conservation Minnesota  
Minnesota Environmental Partnership  
The Conservation Fund  
Trust for Public Land  
Minnesota Native Plant Society  
Parks and Trails Council of Minnesota  
The Nature Conservancy, Minnesota  
Pheasants Forever  
Minnesota Trout Unlimited  
Friends of Minnesota Scientific and  
Natural Areas

Alliance for Sustainability  
Freshwater Society  
Minnesota Ornithologist's Union  
Save Our Sky Blue Waters  
Wilderness in the City

Clean Up the River Environment  
Lower Phalen Creek Project  
Pollinator Friendly Alliance  
St. Croix River Association  
Women's Congress for Future Generations