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Contact:
Judy Corrigan
Minnesota Seasonal Recreational Property
Owners Coalition
952-854-1317
judy@msrpo.org

Property Tax Key Threat to Minnesota's Recreational Lands

(Minneapolis, MN) – As the 2007 Legislature considers property tax reform, and debates ways to improve the water quality in the state, there comes a new report from one of Minnesota's oldest property tax reform associations, Minnesota Seasonal Property Owners Coalition, MSRPO called Saving Minnesota's Recreational Lands..

MSRPO links the high property taxes on Minnesota's lakes and forests to ecological degradation, and is putting forth a proposal, know as Blue Waters, that would correct the problem. Says Jeff Forester, Executive Director of MSRPO, "The ad valorem or property tax has always been one of the most environmentally destructive forces in the state. It is time to change the incentives towards development in our system"

Early this month Potlach Corporation announced the sale of 120,000 acres of land to a development company. In 1999 Boise Cascade sold over 300,000 acres to a development company. One of the big drivers of these sales is not only profit, but property taxes. Due to excessive property taxation Frederick Weyerhaeuser abandoned over 172,000 acres and a 1.25 million dollar expansion of his Cloquet mill due in the 1920s. Other timber companies followed. By 1930 forty-eight percent of the taxable land on the Arrowhead, 6,830,840 acres, or 10,673 square miles was delinquent.ⁱ

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But it is not only Timber Company lands that are being sold off due to tax pressure. Some seasonal owners have seen property TAX BILL increases of over 100% in the last two years. The state average is 16%, twice that of Homesteaded property. Predictably, this tax pressure is forcing the sale and subdivision of land. The average size of a seasonal parcel has shrunk from 79 acres to 53.

As "Saving Minnesota's Recreational Lands for Public Enjoyment" makes clear, this development boom hurts local communities in a decrease of hunting, hiking, berry picking or camping lands, degraded water ways, loss of wildlife habitat, and aesthetic beauty.

Minnesota's Seasonal owners are stewards of much of Minnesota's lakeshore and forests, but the current incentives of the old Ad Valorem tax force them to decisions that harm everyone. As Saving Minnesota's Recreational Lands makes clear, property tax reform legislation should correct these damaging disincentives.

Said Jeff Forester, "Minnesota stands at a cross roads. We can either let out of state developers decide what our lakes will look like, or the people who have been on this land for generations. Development is happening so fast that soon most of the open shoreline and hunting lands in the state will be built up. What type of state we want, and set about creating that."

¹Supplementary Report of the Land Planning Committee, pt. 8, Certain Aspects of Land Problems and Land Policies, 44, (Washington, 1935); Henry Clepper, Professional Forestry in the United States, 256, (Baltimore: John Hopkins Press, 1971).