



Ag 2 School – Minnesota Farm Bureau’s Perspective

After a six month study of Minnesota agriculture’s pressing problems in confronting out-of-control property taxes, Minnesota Farm Bureau came into the 2015 state legislative session with a high degree of interest in responding to the property tax difficulties facing farm families. The organization’s member adopted policy and prioritized agenda put us on track to support passage of legislative changes in debt bonding, seeking a change to balance the burdens of what farmers have to pay for property taxes in school construction bonds versus what voters in town have to pay.

In many highly concentrated agricultural property based school districts, farmers are required to pay up to 10 times as much for school debt bonds as other taxpayers in the school district. Changing the taxable base to a house/garage and one acre would level the tax requirements and also require those who live in the school district the responsibility of voting and paying for their decisions without burdening property owners who don’t have a vote because they live outside the district, but still have property which is taxed to pay for the bonding.

Because Farm Bureau’s emphasis has been focused on resolving the weight of the property taxes on debt, our Property Tax Task Force was open to consider whatever alternatives that would address the problem. We support taxing on the basis of a house/garage and one acre, but we are open to whatever resolution can be achieved.

Representatives of the Rural Education Association presented their ideas for rebalancing the agricultural portion of the debt bonding burdens with a proposal for also using state financial resources to buy down a portion of the current debt load carried by farmers. In addition, the second phase of the plan to transition to Referendum Market Value bonds for on-going maintenance was considered and supported by the Farm Bureau Property Tax Task Force as being a fiscally sound approach to take care of necessary maintenance with an equal share of this expense shared equally across tax classifications.

Minnesota Farm Bureau has maintained and continues to support the importance of adequate and responsible funding for rural education. Our problem has been the disproportional level, in predominately rural school districts that agricultural property has to bear for debt bonds. We are pleased to be able to be working cooperatively with all the stakeholders, especially the Rural Education Association, in finding opportunities to address school funding needs while also helping to lessen the unsustainable tax burden on agricultural property.

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