

Greetings Seasonal Owners: Falling Values Started to Show in Tax Statements

Lower Tax Bills May Be Coming

Since 2001, the rise in the value of seasonal recreational property has far outpaced growth in other tax classes. This trend, combined with unprecedented pressure on property taxes due to state cuts in Local Government Aid, has resulted in some of the largest property tax increases in state history.

Seasonal owners, particularly on "hot" lakes like Gull, Leech, Vermilion and Burntside have long known that their assessed values were unrealistic — the result of a real estate bubble. Limited Market Value provided some relief, but phased out completely last year. As a result, many were dismayed when, after seeing numerous news stories that the market had collapsed, they opened their proposed tax statements to discover that their assessed value had still gone up.

This was due to a lag. When most assessors had done their assessments, the market was still hot. As they compiled their statements and got them sent out the market crashed, so that the proposed tax statements were a snap shot of a different time.

But help, in the form of falling assessed values, is apparently coming. This article from the [Saint Cloud Times](#) reports that as Homestead and Seasonal properties have declined in value, Commercial/Industrial and Agricultural properties have increased, causing a shift of tax burden off of seasonal property and onto commercial.

Mark Your Calendar

2009 Annual Meeting
Wednesday, Oct. 14, 2009
7:00 to 9:00 PM
[Best Western Kelly Inn](#)
Phone 651-227-8711

Peder Otterson, Minnesota DNR, will tell us about the update of the state's minimum shoreline standards. These rules were last updated in the 1980s, and the state is nearing the end of a many years long process of rewriting them.

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Dean Current from the University of Minnesota will also give a short talk on Carbon Credits, and how owners of forest land might be able to get paid to manage their forestland to sequester carbon by growing trees.

Legacy Issues

At MSRPO's 2008 Annual meeting, MSRPO member Frank Heers made a very well-received presentation on legacy issues. This is not surprising; according to USFS research, we are in the midst of the largest intergenerational forest land transfer in history.

Families Not Discussing Future of Family Cabin

Researchers at [The Pinchot Institute](#), in their compelling study [Understanding the Needs of the Next Generation: Getting It Right](#), found that:

- » 45 percent of America's family forests are owned by people over the age of 65.
- » The majority of offspring are not connected with the land nor involved in its management but expect to inherit the land from their parents.
- » 50 percent or more families with multiple children interviewed for this study had siblings who disagreed with each other in at least four critical areas:
 - a) wanting to be involved in the management of the family forest prior to land transfer;
 - b) knowing how the family forestlands will be transferred (joint sibling ownership? Divided among siblings? Single sibling ownership? Even though overall offspring believed they would jointly own the land, multiple siblings within the families that were part of the study did not agree on this); and
 - c) identifying what conditions would force them to sell the family forests; and
 - d) identifying payment (\$) for biomass removal as an important or very important financial tool to help manage the family forests.

A recent [Star Tribune article](#) reiterates this story — cabins are where family happens, but family needs to talk about how the place will be managed in the next generation. To this end, MSRPO will be holding a series of webinars on this subject — stay tuned for dates and times.

We hope you all enjoy this Labor Day weekend, and please stay in touch.

Sincerely,

A handwritten signature in black ink, appearing to be the name 'Frank Heers', written in a cursive style.

MSRPO Coalition
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Not a member of MSRPO? [Click here](#) to join our mailing list. Together, we can protect the family lake place from confiscatory property taxes.