

From: [Bill Becker](#)
Subject: The Blandin Tax Court Action What is it all about?
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Members:

<http://minnlawyer.com/wp-files/fulltext-071513/blandin-order-denying-mot-in-limine-05-23-13-final.html>

FYI see the Tax Court order linked above.

The papers in the Blandin Tax Court action were sealed by the court. Understanding of Blandin's claim has apparently been based on supposition, rumor and inaccurate reporting. A recent tax court order on a county motion provides some light on what Blandin claims and doesn't claim. Careful reading of this order, issued in mid May, indicates the Blandin tax case is about how to value large industrial forest holdings, whether or not they are covered by conservation easements. Blandin's case is not about conservation easements and their affect on land value.

The inference of this order is that the question in front of the court is 'Should assessors use a single, large parcel valuation approach to estimate the market value of extensive multi-parcel holdings despite the distributed nature of the parcels, or should they value each parcel separately on its own?' This question comes to the tax court for a variety of reasons guiding how to value Blandin's holdings: accounting scale, resource management scale, the ecology and nature of forests, the market for forest land, the impediment of encumbrances on holdings, statutory direction, the price elasticity of forest land all guide valuation methodology. The OHF funded conservation easement contains a clause that requires Blandin to perpetually unify ownership of all 187,000 acres. This unity clause is unique to the Blandin easement. Knitting together scattered parcels of land is not a common feature of conservation easements. This clause is part of the reasoning for using a large parcel valuation approach. However in part because most conservation easements lack clauses with similar impact this case isn't about the affect of conservation easements on land values. The clause is only one of a number of factors the court cites supporting using the large parcel approach, some of the others being substantive statute guiding assessing, market forces, appraisal standards, the SFIA encumbrance, and Blandin's ownership-wide, unified ecological and accounting treatment of the parcels. Logically, because the unity clause is not in or doesn't materially impact the market for most easements, and because there are numerous other reasons to value disbursed industrial forests holdings as one parcel, many non easement related factors support a unified assessment extensive holdings. In fact the preponderance of factors bearing on valuation of extensive holdings are related to other things than easements. So, according to this order the case is not about the affect of conservation easements in general on assessed value. It is a case about how to assess disbursed industrial forest holdings, period.

There may be more to the case related to conservation easements than is found in this order on the counties' motion. But it is noteworthy that the counties' motion included a request to dismiss the case because of a lack of evidence. Therein the counties shine some light on the filings as a whole. The counties' case analysis shows the Blandin case is about the validity of the large parcel

valuation method and that's it. So they asked the judge to rule out the evidence provided by Blandin's large parcel appraisal, and then on the basis of a lack of evidence dismiss the case. It appears the county analysis is no other evidence exists which would question the county valuations. Therefore the counties see the case is a dispute on how to value fragmented real industrial property assets for property tax purposes. It is not about conservation easement impact on value.

I am sending this because the press and conservation critics keep repeating rumors and false claims about the nature of this tax court action. I believe the general impression is that the case is one to determine if conservation easements reduce taxable value. You should know that conservation easements are not the culprit here. Easements aren't the cause of the valuation dispute and I know of no other known owner of land with conservation easements who would benefit from a Blandin victory. What is true, if this order accurately and completely describes the dispute, is the results of this suit will only affect those with large holdings consisting of many parcels spread across the landscape using them for a single industrial purpose.