PROPERTY TAX
Exemption of Parking Facilities

March 20, 2001

	Yes	No
Separate Official Fiscal Note Requested		X
Fiscal Impact		
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 1316 (Dawkins) / S.F. 1692 (Pappas)

	Revenue Gain or (Loss)			
	F.Y. 2002	F.Y. 2003	F.Y. 2004	FY2005
	(000's)			
General Fund		(Unknown)	(Unknown)	(Unknown)

Effective the day after final enactment.

EXPLANATION OF THE BILL

Current Law: Parking lots, ramps, structures, garages, and other facilities for vehicle parking are exempt from property tax if they are owned by the public and used exclusively for public purposes.

Proposed Law: Parking lots, ramps, structures, garages, and other facilities owned by a municipality or other municipal authority for vehicle parking are exempt even though the facilities, in whole or in part, are operated by, used by, leased, or subleased to an individual or nonprofit or for-profit entity.

REVENUE ANALYSIS DETAIL

- Information from the City of St. Paul indicates that a parking facility at the Farmer's Market has been classified as personal property because of an agreement with a private facility operator. The City's view is that the facility is owned by the city and is being used for a public purpose and should be considered exempt. Information is not available on the personal property market value of the property.
- Information on the extent of lease or sublease of municipal parking facilities throughout the state is not available.
- Exemption of public property used for other than public purposes will reduce the local property tax base and shift tax burden to other taxpayers. The increased tax burden on homeowners could result in an increase to state-paid homeowner property tax refunds.

Number of Taxpayers Affected: Unknown

ADMINISTRATIVE/OPERATIONAL IMPACT

There will be no significant administrative or operational costs or savings to DOR in administration of this bill.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/polic.html#analyses

hf1316-1 / JB