

PROPERTY TAX
Watershed District Development Levies

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. 1578 (Goodno)

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

Effective for taxes payable in 2002 and thereafter.

EXPLANATION OF THE BILL

Current Law: Watershed special taxing districts are authorized to levy ad valorem taxes to supply funds for general administrative expenses as well as the construction or implementation of projects including reservoirs, ditches, and other watershed projects. The districts are authorized to levy up to 0.02418 percent of taxable market value or \$125,000, whichever is less. Bond revenue and county debt service revenue can be used to pay for watershed district construction or implementation projects.

Proposed Law: Watershed special taxing districts are authorized to levy an additional tax for construction or implementation of projects. The additional levy may not exceed .02418 percent of taxable market value, provided that the district does not have at the same time a construction levy under a joint powers agreement or any other general or special law for the same purposes at the same time.

REVENUE ANALYSIS DETAIL

- It is not known to what extent watershed districts would use the additional levy authority.
- Because bond revenue and county debt service revenue also could be used for construction and implementation purposes, the net effect on tax burdens is likely to be small.

Number of Taxpayers Affected: Unknown

March 20, 2001

ADMINISTRATIVE/OPERATIONAL IMPACT

There are no significant administrative or operational costs or savings to the department in administration of this bill.

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

hf1578-1 / JB