Property Tax
Watershed District Levies

March 13, 2001

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

Department of Revenue
Analysis of H.F. 1635 (Daggett)/ S.F. 1846 (Stumpf)

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

Effective for taxes payable 2002 and thereafter.

EXPLANATION OF THE BILL

Current Law: Watershed special taxing districts may levy a property tax to pay increased costs of preparing a watershed plan or conducting adopted projects. Watershed districts may levy for an administrative fund for general expenses. The levy may not exceed 0.02418 percent of taxable market value or $125,000, whichever is less.

Current law also requires that watershed districts must revise their watershed management plan every ten years, or may amend the plan after notice and hearing. No provision is made for a levy specifically for revising or amending the management plan.

Proposed Law: Watershed districts may levy a tax for the cost of preparing a management plan or for conducting adopted projects, either in the area of the district as a whole, or within a subdistrict unit. The "administrative" fund is renamed the "general" fund, and the levy limit is changed to a total of $345,000. Specific levy authority is granted to pay increased costs of revising or amending management plans, or for approved nondrainage projects.

REVENUE ANALYSIS DETAIL

- Although the expanded levy authority proposed may result in higher property tax levies by some watershed districts, any state cost for increased homeowner property tax refunds is assumed to be negligible.

Number of Taxpayers Affected: All taxpayers in a watershed district are affected by the property tax levy.

ADMINISTRATIVE/OPERATIONAL IMPACT

There will no significant administrative or operational costs or savings to the department in administering this proposal.

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

hf1635-1 / JB