

MINNESOTA · REVENUE

PROPERTY TAX Moorhead TIF Levy

March 26, 2002

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

Department of Revenue
Analysis of H.F. 3639 (Goodno) / S.F. 3416 (Langseth)

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>
		(000's)		
General Fund			\$0	\$0

Effective upon local approval for taxes payable 2003 and thereafter.

EXPLANATION OF THE BILL

The proposal allows the City of Moorhead to levy a special levy for taxes payable in 2003 and thereafter upon class 3a and 3b commercial, industrial and public utility property to pay preexisting tax increment financing (TIF) debt obligations under section 469.1763, subdivision 6, and for obligations issued in 2002 or later in accord with an agreement to pay costs of remediating or removing hazardous substances in a hazardous substance district. For taxes payable 2003, the special levy will not be subject to the general levy limit.

REVENUE ANALYSIS DETAIL

- According to finance officials from the City of Moorhead, the total proposed special levy is estimated to be \$560,104 for taxes payable 2003, and \$922,866 for taxes payable in 2004.
- The proposed levy on business property in Moorhead will have no effect on the state general fund.

Number of taxpayers affected: All owners of business property in the City of Moorhead will be affected.

ADMINISTRATIVE/OPERATIONAL IMPACT

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

hf3639(sf3416)_1/jb