Property Tax
Metropolitan County Levies for Watershed Management

March 7, 2001

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

Department of Revenue
Analysis of S.F. 917 (Robling) / H.F. 1349 (Molnau)

	Revenue Gain or (Loss)			
	F.Y. 2002	**F.Y. 2003**	**F.Y. 2004**	**FY2005**
		(000's)		
General Fund		$0	$0	$0

Effective for taxes payable in 2002 and thereafter.

EXPLANATION OF THE BILL

Current Law: County governments in the seven-county metropolitan area have authority to levy for watershed management costs and to create a separate fund for the purpose. Counties may also establish watershed management tax districts for paying costs of watershed management planning, for paying capital costs for capital improvements, and for paying normal maintenance costs of facilities.

All counties are required to annually certify their levies to the county auditor on or before five working days after December 20. County auditors reduce county levies by the amount of homestead and agricultural credit aid (HACA) and disparity reduction aid (DRA), using aid amounts certified by the Department of Revenue.

Proposed Law: All metropolitan area county levies for water management purposes must be certified separately to the county auditor, even if no watershed management taxing districts have been established by the county. Debt service levies certified by the county for payment of the obligations certified by a watershed management taxing district must be certified separately by the county to the county auditor. In effect, the water management levies become special taxing district levies. The county auditor may not reduce water management district levies certified by the counties by the amount of HACA available for county levies, but may reduce the levies with DRA.

REVENUE ANALYSIS DETAIL

- Although metropolitan counties with water management levies may not deduct HACA from them, they will not lose HACA payments.

Number of Taxpayers Affected: Not applicable.

ADMINISTRATIVE/OPERATIONAL IMPACT

There are no administrative or operational costs or savings to the Department of Revenue in administering this bill.

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

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