

# MINNESOTA · REVENUE

## PROPERTY TAX

### Alexandria Economic Development Authority

February 25, 2002

|   | Yes | No |
|---|-----|----|
| Separate Official Fiscal Note Requested |     | X  |
| <b>Fiscal Impact</b>                    |     |    |
| DOR Administrative Costs/Savings        |     | X  |

Department of Revenue  
Analysis of S.F. 2589 (Larson) / H.F. 2978 (Cassell)

#### Revenue Gain or (Loss)

|              | <u>F.Y. 2002</u> | <u>F.Y. 2003</u> | <u>F.Y. 2004</u>        | <u>F.Y. 2005</u> |
|--------------|------------------|------------------|-------------------------|------------------|
| General Fund |                  |                  | (000's)<br>(Negligible) | (Negligible)     |

Effective August 1, 2002.

#### EXPLANATION OF THE BILL

The proposal would establish an economic development authority (EDA) for the city of Alexandria and the nearby townships Alexandria, Carlos, and Hudson, with most of the powers of a city or county economic development authority. The proposal requires municipalities affected to levy a tax for the benefit of the authority, not to exceed 0.01813 percent of taxable market value.

#### REVENUE ANALYSIS DETAIL

- The affected municipalities have a total of \$935,837,900 in taxable market value in 2001 for taxes payable 2002. The levy limit of 0.01813 percent would generate \$169,667 on the pay 2002 base.
- The proposed EDA levy by member municipalities would increase tax burden on all taxpayers including homeowners, but any homeowner property tax refund costs would be negligible.

**Number of Taxpayers Affected:** All taxpayers in the affected municipalities would be affected by the proposed levy.

#### 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>

sf2589(hf2978)\_1/jb