

MINNESOTA • REVENUE

Property Tax TIF Grant Fund

February 25, 2002

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

Department of Revenue
Analysis of S.F.2896(Pogemiller)

	Revenue Gain or (Loss)			
	<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	\$0

Effective beginning with fiscal year 2003.

EXPLANATION OF THE BILL

Current Law: In fiscal year 2002, \$91,000,000 is appropriated from the general fund to make TIF grants under this section. In each fiscal year thereafter, \$38,000,000 is appropriated from the general fund to make grants. If the amount of grant entitlements exceeds the amount available for grants, each grant will be reduced proportionately so that the total does not exceed the amount available.

Proposed Law: The proposal appropriates 80% of the unused money remaining in the TIF grant fund to be used by the Minnesota Housing Finance Agency to provide housing for persons and families of low and moderate income. "Unused Money" is the sum of all appropriations to date under Minnesota Statutes 2001 Supplement, section 469.1799, subdivision 3, that have not been distributed as grants under that section by December 31 of the calendar year preceding the first day of the fiscal year.

REVENUE ANALYSIS DETAIL

- The dollar amount of unused money remaining in the TIF grant program at the end of the fiscal year is unknown.

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- Since there is a provision that the total grants for a fiscal year cannot exceed funds available, there is no impact on the general fund

Number of Taxpayers Affected: Taxpayers and their communities that are the recipient of the Minnesota housing finance agency funds will benefit from the use of unused money.

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>

SF2896(HF)-1.doc/JO