

MINNESOTA • REVENUE

PROPERTY TAX

Transit Bonds

March 1, 2002

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

Department of Revenue

Analysis of S.F. 2930 (Pogemiller) / H.F. 3288 (Abrams) **Revised for new information**

<u>Revenue Gain or (Loss)</u>			
<u>F.Y. 2002</u>	<u>F.Y. 2003</u>	<u>F.Y. 2004</u>	<u>FY2005</u>

General Fund

\$(144)

EXPLANATION OF THE BILL

Current Law: The Metropolitan Council has general, and ongoing, authority to borrow money through certificates of indebtedness, bonds, or other obligations for transit needs. Debt service on the bonds is paid from a property tax levy.

Proposed Law: This bill extends the above referenced authority for 2003 by \$50 million..

REVENUE ANALYSIS DETAIL

- According to Metropolitan Council sources, the estimated debt service levy for the proposed new bonding will be about \$7 million per year.
- The increased property tax levy for debt service will increase levies for all taxpayers in the metropolitan area, including homeowners, and increase property tax refunds by about \$144,000 for F.Y. 2005.

Number of taxpayers affected: All taxpayers in the metropolitan area will be affected by the proposal.

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>

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