

MINNESOTA • REVENUE

PROPERTY TAX Central Lakes Regional Sanitary District in Douglas County

May 6, 2003

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

Department of Revenue
Analysis of H.F. 625 (Westrom), 1st Engrossment

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective upon local approval.

EXPLANATION OF THE BILL

Current Law: Regional sanitary sewer districts are governmental subdivisions established for the collection, treatment, and disposal of sewage and industrial and other wastes for the purpose of preventing pollution of public waters. The districts are special taxing districts and are authorized to issue bonds and levy taxes and special assessments, and establish and collect charges for services furnished or available.

Proposed Law: The Central Lakes Regional Sanitary District in Douglas County is proposed, which will include the townships of Carlos, Brandon, La Grand, Leaf Valley, Miltona, and Moe. The district may issue bonds and levy taxes for debt service. The district may allocate current costs to local government units in the district. Local governments in the district are authorized to levy taxes to pay the district's current cost allocations. Local governments may choose to levy on all taxable property in their portion of the district, or impose an alternative levy on all taxable property, except that the levy on agricultural property can be on only 25% of the net tax capacity. The levies are exempt from any local or general property tax limit. A local government may specially assess all or part of the costs of acquisition of any project ordered by the board.

REVENUE ANALYSIS DETAIL

- Information is not available on the amount of bonds that might be issued, or taxes levied, by the proposed district, or by local governments to pay allocated expenses of the district. Because local governments have authority to specially assess to pay costs, and the district has authority to charge for its services, much of the cost is likely to be borne by special assessments and service charges.

Number of Taxpayers Affected: All taxpayers in the specified townships.

Source: Minnesota Department of Revenue
Tax Research Division

<http://www.taxes.state.mn.us/polic.html#analyses>