PROPERTY TAX
Kandiyohi County Economic Development Authority

April 7, 2003

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

Department of Revenue
Analysis of H.F. 41 (Juhnke) / S.F. 49 (Johnson, D.E.)

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

Effective the day after final enactment.

EXPLANATION OF THE BILL

Current Law: Cities have authority to establish economic development authorities to develop and improve the lands in an economic development district to make it suitable and available for economic development uses. Special taxing districts are granted specified authority to levy taxes, but "special taxing districts" are defined to exclude counties, school districts, cites and towns.

Proposed Law: Kandiyohi County and the City of Willmar would be granted joint authority to exercise the powers of an economic development authority and to levy property taxes as a special taxing district.

REVENUE ANALYSIS DETAIL

- Granting Kandiyohi County joint powers with the City of Willmar to levy property taxes for use in an economic development authority means that the levy would be spread on all taxpayers in the county, rather than be limited to taxpayers in the City of Willmar.
- Although tax burdens for the proposed district would be redistributed among county taxpayers under this proposal, there would be no impact on the state budget.

Number of Taxpayers Affected: All taxpayers in Kandiyohi County would be affected.

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