

MINNESOTA • REVENUE

PROPERTY TAX Beltrami County Promotional Spending Increase

March 4, 2003

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

Department of Revenue
Analysis of H.F. 211 (Lindgren) / S.F. 167 (Ruud)

	<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	(Negligible)	(Negligible)	(Negligible)
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Effective the day after local approval by Beltrami County.

EXPLANATION OF THE BILL

Current Law: Under a special law, Beltrami County is authorized to spend up to \$1 per capita for the promotion of tourist, agricultural, and industrial developments.

Proposed Law: The proposal would increase the spending limit to \$5 per capita.

REVENUE ANALYSIS DETAIL

- The first year that the proposal would be effective is assessment year 2003, taxes payable in 2004. Thus the proposal has no effect on state costs until FY 2005.
- The state demographer's population count in 2001 for Beltrami County was 40,222.
- If the total amount of the spending authority were utilized, the increased spending limit would create a property tax increase of about \$161,000 annually. About 2.6% of this shift would result in an increase in homeowner property tax refunds beginning in FY 2005.

Number of Taxpayers Affected: Property owners in Beltrami County.

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