PROPERTY TAX
Charter City Levy Limits Extended

April 11, 2003

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

Department of Revenue
Analysis of H.F. 875 (Pugh)/ S. F. 1004 (Metzen)

PRELIMINARY ANALYSIS

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

Effective for taxes payable 2004 and thereafter.

EXPLANATION OF THE BILL

Current Law: Charter cities may adopt a levy limit as part of their city charter.

Proposed Law: A charter city may increase its levy to make up local government aid reductions, even though the higher levy may exceed the levy limit provided in the city charter.

REVENUE ANALYSIS DETAIL

- About 107 cities have city charters. Information is not available on the levy limits contained in these charters, or the extent to which a levy to make up for a reduction in local government aid might exceed the charter levy limits. It is also not known which cities would choose to levy over their charter levy limits.
- An increase in the levy would result in an increase in property tax refunds paid to homeowners.

Number of Taxpayers Affected: Taxpayers in charter cities with levy limits could be affected.

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