

MINNESOTA • REVENUE

PROPERTY TAX Bonding for Personal Rapid Transit

March 15, 2004

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

Department of Revenue
Analysis of H.F. 1650 (Olson) 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 August 1, 2004.

EXPLANATION OF THE BILL

The proposal would authorize a statutory or home rule charter city, county, or town to issue bonds or other obligations and loan the proceeds, with or without charging interest, to a public or private entity to design, construct, furnish, and equip a personal rapid transit system or a personal rapid transit public safety certification and training facility. Personal rapid transit is defined as a transit system consisting of elevated guideways that allow automated electrically driven vehicles to carry individuals nonstop from any station on the system to any other station on the system.

REVENUE ANALYSIS DETAIL

- The proposed bonding authority could result in a debt service levy in the future. A debt service levy would increase tax burdens for all taxpayers in the municipalities issuing bonds including homeowners, and state payment of homeowner property tax refunds would increase.

Number of Taxpayers Affected: All taxpayers in municipalities issuing bonds for personal rapid transit systems.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy