MINNESOTA · REVENUE

PROPERTY TAX
Housing and Redevelopment Authority Bonding Expansion

March 23, 2004

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

Department of Revenue
Analysis of S.F. 2302 (Pogemiller) / H.F. 2540 (Abrams)

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

Effective for bonds issued the day following enactment.

EXPLANATION OF THE BILL

Under the proposal, a housing and redevelopment authority would be allowed to pledge the full faith and credit of a governmental unit for bonds issued to finance housing development projects that are owned by a limited partnership or other entity of the HRA. In order for the HRA to pledge the full faith and credit, the limited partnership or other entity would have to:

1) receive an allocation from the Department of Finance or an entitlement issuer of tax-exempt bonding authority for the project; and
2) receive a preliminary determination by the Minnesota Housing Finance Agency or the applicable suballocator of tax credits that the project will qualify for 4% low-income housing credits.

REVENUE ANALYSIS DETAIL

- To what extent housing and redevelopment authorities would pledge the general obligation of a government unit toward qualified housing development projects owned by a limited partnership or other entity is unknown. The extension of bonding authority would have no impact on the state budget.

Number of Taxpayers: Unknown.

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

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