

MINNESOTA • REVENUE

PROPERTY TAX Metropolitan Council Bonds

March 23, 2004

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

Department of Revenue
Analysis of H.F. 3091 (Abrams)

	<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	(\$29)
--------------	-----	-----	-----	--------

Effective the day following final enactment.

EXPLANATION OF THE BILL

Current Law: The Metropolitan Council is authorized to issue certificates of indebtedness under specified statutes.

Proposed Law: The bill authorizes the Metropolitan Council to issue up to an additional \$32 million in certificates of indebtedness, bonds, or other obligations for capital expenditures prescribed in the council's regional transit master plan and transit capital improvement program. The authority is limited to the seven county metropolitan area.

REVENUE ANALYSIS DETAIL

- The Metropolitan Council expects to issue \$9 million in obligations in FY 2006 and the remaining \$23 million in FY 2007.
- Additional debt obligations will require additional service of interest and principal. Where property tax levies are used to service new debt, taxes on homesteads will rise. Therefore there would be a \$27,000 increase in property tax refunds for homeowners in FY 2007, and a \$78,000 increase in property tax refunds in FY 2008.

Number of Taxpayers Affected: All taxpayers in the seven county metropolitan area.

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

hf3091-1 / LAM