

# MINNESOTA • REVENUE

## PROPERTY TAX

### Lakes Area Economic Development Authority

March 31, 2003

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

Department of Revenue

Analysis of S.F. 151 (Sams)/ H.F. 245 (Westrom)

	<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	(\$5)	(\$5)	(\$5)

Effective upon local approval.

### EXPLANATION OF THE BILL

The proposal would establish a lakes area economic development authority (EDA) for the cities of Alexandria and Garfield, and the nearby townships Alexandria, La Grand, or any other municipality within the jurisdiction of the authority, with most of the powers of a city or county economic development authority. The proposal requires member municipalities to levy a tax for the benefit of the authority, not to exceed 0.01813% of taxable market value.

### REVENUE ANALYSIS DETAIL

- The four municipalities named in the bill have a total of \$1,138,382,300 in taxable market value in 2002 for taxes payable 2003. The levy limit of 0.01813% would generate \$206,389 on the pay 2003 base.
- The proposed EDA levy by member municipalities would increase tax burden on all taxpayers including homeowners, generating an increase in property tax refund costs of about \$5,000 per year beginning in pay 2004, F.Y. 2005.

**Number of Taxpayers Affected:** All property owners in the specified municipalities would be affected by the proposed levy.

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