

MINNESOTA • REVENUE

PROPERTY TAX

Cook County Hospital District Levy

April 14, 2003

Department of Revenue
Analysis of S.F. 161 (Bakk) / H.F. 312 (Dill)

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

Revenue Gain or (Loss)

	<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	(Negligible)	(Negligible)	(Negligible)

Effective upon certification of the Cook County hospital district to the Secretary of State.

EXPLANATION OF THE BILL

Current Law: The tax levied by the Cook County hospital district shall not exceed \$300,000, of which the proceeds may be used for all purposes of the hospital district.

Proposed Law: The proposal allows the Cook County hospital district to adjust its property tax levy for inflation for taxes levied in 2003 and subsequent years. The tax levy shall not exceed the product of the hospital district's property tax levy limitation for the previous year, multiplied by the lesser of three inflation measures: 1) the annual increase in market valuation of all taxable property within the hospital district, 2) the annual increase in the implicit price deflator for government consumption and gross investment for state and local governments, or 3) 103 percent.

REVENUE ANALYSIS DETAIL

- If the county levies the additional amount allowed, the total property tax shift resulting from the increased levy amount is estimated to be about \$20,000 for taxes payable in 2006. The subsequent increase in homeowner property tax refunds is 2.6% of this total shift, which is less than \$5,000.

Number of Taxpayers Affected: Property owners in Cook County.

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