

# MINNESOTA • REVENUE

## PROPERTY TAX

### Repeal of Proposed Tax Notices and Hearings

April 14, 2003

Department of Revenue  
Analysis of S.F. 366 (Dille)

	Yes	No
Separate Official Fiscal Note Requested		
<b>Fiscal Impact</b>		
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	\$0	\$0	\$0

Effective for taxes payable 2004 and thereafter.

### EXPLANATION OF THE BILL

**Current Law:** If a school district believes that it may be unable to make a principal or interest payment on any outstanding debt obligation on the date due, the district shall notify the Department of Children, Families and Learning and the department shall arrange to make the payment. The district then may levy to repay the state plus interest. This levy shall be an increase in the levy limits for the district.

Each year county auditors and treasurers send notices of proposed property taxes to taxpayers. Local taxing districts hold hearings on the proposed taxes in December. A final levy is certified to the county auditor in the latter part of December.

**Proposed Law:** A school district levy to repay a state payment of a school district debt will not be an increase in the levy limit of the district.

Requirements to notify property tax payers of proposed property taxes, and related public hearings, are repealed.

### REVENUE ANALYSIS DETAIL

- Repeal of the “truth-in-taxation” notification and hearing process will remove the limiting influence of that process on local levies, but the amount of influence is unknown.
- Restricting school district levy limits from any addition for a levy to repay a state payment of district debt may have some impact on school district levies, but the effect is likely to be small.

**Number of Taxpayers Affected:** Taxpayers receiving notice of proposed property tax will be affected.

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

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