

# MINNESOTA • REVENUE

## PROPERTY TAX

### Soil and Water Conservation Districts

April 24, 2003

Department of Revenue  
Analysis of S.F. 392 (Murphy), 1<sup>st</sup> Engrossment

	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 August 1, 2003.

### EXPLANATION OF THE BILL

**Current Law:** Soil and water conservation districts are a political subdivision of the state under the oversight of the State Board of Water and Soil Resources. The districts do not have levy authority, but instead present annual budgets to the county commissioners of the counties where they are located. County boards have authority to levy an annual tax on all taxable property in the district for the amount the boards determine is necessary for the requirements of the districts.

**Proposed Law:** Several changes are proposed for existing soil and water conservation districts allowing more flexibility in administration. A new levy authority is proposed that would allow the soil and water conservation districts to levy an annual property tax not to exceed 0.048% of taxable market value or \$750,000, whichever is less. The new levy authority adds soil and water conservation districts to the current list of special taxing districts.

### REVENUE ANALYSIS DETAIL

- According to information from the State Board of Water and Soil Resources, the county share of support for local districts is about \$8.2 million per year. County contributions for the districts varies from about \$14,000 to about \$750,000 per year.
- The proposed levy authority is intended to allow the districts to make up shortfalls in their budgets if county levies are not made for the districts. It is not known to what extent counties will not provide revenue requirements for the districts, or the extent that the districts would choose to exercise the new levy authority.

**Number of Taxpayers Affected:** Taxpayers in soil and water conservation districts could be affected.

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