

# MINNESOTA • REVENUE

## PROPERTY TAX Metro County Economic Development Authority

April 7, 2003

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

Department of Revenue  
Analysis of S.F. 547 (Betzold) 1<sup>st</sup> Engrossment

	<b>Revenue Gain or (Loss)</b>			
	<b>F.Y. 2004</b>	<b>F.Y. 2005</b>	<b>F.Y. 2006</b>	<b>F.Y. 2007</b>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Section 1 is effective the day following final enactment.  
Section 2 dealing with Anoka County is effective upon local approval.

### **EXPLANATION OF THE BILL**

**Current Law:** City housing and redevelopment authorities are granted powers to provide housing for persons of moderate means and to conduct urban renewal projects. County housing and redevelopment authorities are granted powers to serve, program, develop, and manage all housing programs under their jurisdiction. Cities are granted authority to form economic development districts to develop and improve the lands in an economic development district to make it suitable and available for economic development uses.

**Proposed Law:** Counties within the seven-county metropolitan area may grant the powers of an economic development authority to existing housing and redevelopment authorities in the county. For purposes of this proposal, any references to cities and city councils in the economic development authority laws shall be considered to be the county and the county board. The powers or duties of a city housing and redevelopment authority are not affected by this provision. If a county economic development project is proposed within a city, the location of the project must be approved by the governing body of the city.

Section 2 clarifies a 1978 law granting authority to Anoka County to exercise the powers of a county housing and redevelopment authority.

## **REVENUE ANALYSIS DETAIL**

- Granting a county housing and redevelopment authority the power to function as an economic development district means that all county taxpayers can be taxed for an economic development project, rather than just the taxpayers in a city where the project is located.
- Although the proposal would redistribute tax burden related to local economic development projects to all county taxpayers, there would be no affect on the state general fund.

**Number of Taxpayers Affected:** All taxpayers in the seven-county metropolitan area could be affected.

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

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