

MINNESOTA • REVENUE

PROPERTY TAX City Water Submetering Programs

March 24, 2004

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

Department of Revenue
Analysis of S.F. 2281 (Pogemiller) / H.F. 2975 (Peterson)

	<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	\$0	\$0	\$0

Effective the day following final enactment.

EXPLANATION OF THE BILL

Current Law: A city may establish a water inflow and infiltration prevention program and provide loans and grants to property owners to assist the owners in financing the cost of abating inflow and infiltration on their property. The city may finance the program with federal, state, private, or city funds.

Proposed Law: The bill authorizes cities to establish water submetering programs. "Water submetering" refers to metering devices in multifamily dwellings and related services which detect water leaks and monitor water usage of specific units or areas. The financing for the current and proposed programs is expanded so that a city may also issue revenue obligations payable solely from fees and charges imposed for program costs and loan repayments.

REVENUE ANALYSIS DETAIL

- The number of cities that would establish a water submetering program is not known. Further, because a city has options on how to finance the program, it is not known to what extent financing would affect the property tax levy.

Number of Taxpayers: Unknown

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy