MINNESOTA · REVENUE

PROPERTY TAX
Special Service Districts

March 19, 2004

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

Department of Revenue
Analysis of S.F. 2304 (Pogemiller) / H.F. 2776 (Kuisle)

	Revenue Gain or (Loss)			
	F.Y. 2004	**F.Y. 2005**	**F.Y. 2006**	**F.Y. 2007**
	(000's)			
General Fund	$0	$0	$0	$0

Effective for ordinances on which public hearings are conducted after June 30, 2004.

EXPLANATION OF THE BILL

Current Law: Special service districts are defined areas within a city where special services are rendered, and costs of the services provided by the city are paid from charges imposed within the area. Special service districts may be established by cities without special legislation.

Proposed Law: The proposal allows cities to contract with a nonprofit corporation to assist and act on behalf of the city in implementing and providing services in the special service districts. A statement of intent to contract with nonprofit corporations must be included in the hearing notice mailed to individuals or business organizations subject to a service charge.

REVENUE ANALYSIS DETAIL

- There would be no state impact associated with cities contracting out special services to nonprofit corporations.

Number of Taxpayers: Special service districts that use the new authority to contract with nonprofit corporations.

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

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