

# MINNESOTA • REVENUE

## PROPERTY TAX Community Education Facility Levies

March 31, 2004

Department of Revenue  
Analysis of S.F. 2787 (Betzold) / H.F. 2958 (Sykora)

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

	<b>Revenue Gain or (Loss)</b>			
	<b><u>F.Y. 2004</u></b>	<b><u>F.Y. 2005</u></b>	<b><u>F.Y. 2006</u></b>	<b><u>F.Y. 2007</u></b>
		(000's)		
General Fund	\$0	\$0	(\$66)	(\$33)

Effective for fiscal year 2006 and thereafter.

### EXPLANATION OF THE BILL

A school district that operates a community education facility that co-locates with other local units of government is eligible to levy an amount equal to the lesser of the prior year's utility costs of operating the facility, or \$30 times the adjusted marginal cost pupil units for the current year. The commissioner of education may deny or revoke this levy authority if the district and another unit of government are not co-locating in the district owned building. Section 2 allows the district to double levy for fiscal year 2005 and 2006 in taxes payable 2005.

### REVENUE ANALYSIS DETAIL

- The extra annual levy amount for community education utilities in payable 2005 is estimated by Department of Education survey to be \$1.3 million. An increase in property tax refunds would result from higher homestead taxes. Property tax refunds would increase by \$66,000 in payable 2005 (double levy for FY 2005 and 2006) and \$33,000 for payable 2006 thereafter.

**Number of Taxpayers:** Property owners in school districts with shared community education facilities.

Source: Minnesota Department of Revenue  
Tax Research Division  
[http://www.taxes.state.mn.us/taxes/legal\\_policy](http://www.taxes.state.mn.us/taxes/legal_policy)