

MINNESOTA • REVENUE

PROPERTY TAX Lakes Area Economic Development Authority

March 31, 2004

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

Department of Revenue
Analysis of S.F. 2927 (Sams) / H.F. 3108 (Westrom)

	<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 for taxes payable in 2005 and thereafter.

EXPLANATION OF THE BILL

Current Law: Legislation enacted in 2003 authorized the establishment of the Lakes Area Economic Development Authority. Members of the authority include the cities of Alexandria and Garfield and the townships of Alexandria and La Grand. Municipalities which are members of the Lakes Area Economic Development Authority levy taxes individually to contribute to the authority.

Proposed Law: The bill authorizes the Lakes Area Economic Development Authority to levy property taxes as a special taxing district. The bill also removes language authorizing the tax transfers paid by the individual municipalities to the development authority.

REVENUE ANALYSIS DETAIL

- Instead of the individual municipalities which are members of the Lakes Area Economic Development Authority levying a tax, the authority will levy the tax directly. There would be no change in the amount or distribution of the tax, so there would be no change in property tax refunds.

Number of Taxpayers: None.

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