

# MINNESOTA • REVENUE

## PROPERTY TAX Sauk River Watershed District Increased Levy Authority

April 25, 2005

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

Department of Revenue  
Analysis of H.F. 1514 (Heidgerken) / S.F. 1931 (Fischbach)

	<b>Fund Impact</b>			
	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
General Fund	\$0	(000's) (\$7)	(\$9)	(\$11)

Effective beginning with taxes payable in 2006.

### EXPLANATION OF THE BILL

**Current Law:** Current law provides that a watershed district may levy a property tax for its general fund. The levy may not exceed 0.048% of taxable market value, or \$250,000, whichever is less.

**Proposed Law:** Under the proposal, the Sauk River Watershed District could annually levy up to 0.01% of taxable market value for its general fund, with no maximum dollar amount.

### REVENUE ANALYSIS DETAIL

- The proposed 0.01% levy is estimated to increase the Sauk River Watershed District maximum property tax levy by \$280,000 in CY 2006.
- The proposed increased levy authority is likely to increase the property tax burden on all taxpayers including homeowners. If the maximum levy were imposed, the increased property tax burden on homesteads caused by the increased levy would increase state-paid homeowner property tax refunds by about \$7,000 in FY 2007, \$9,000 in FY 2008, and \$11,000 in FY 2009.

**Number of Taxpayers:** All property taxpayers in the Sauk River Watershed District would be affected by the increased levy.

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)

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