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PROPERTY TAX Buffalo-Red River Watershed District Increased Levy Authority

April 28, 2006

	Yes	No
DOR Administrative Costs/Savings		x

Department of Revenue
Analysis of H.F. 3348 (Lanning) / S.F. 3590 (Langseth)

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.

Under the proposal, the Buffalo-Red River Watershed District could annually levy up to 0.02394% of taxable market value in addition to its general levy, with no maximum dollar amount. The district could levy for up to 15 consecutive years to pay the cost attributable to the basic water management features of projects initiated by petition and to develop and implement total maximum daily loads for water quality.

- The proposed 0.02394% levy is estimated to increase the Buffalo-Red River Watershed District maximum property tax levy by \$820,000 in CY 2007.
- The proposed increased levy authority could 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 \$25,000.

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

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