

# MINNESOTA • REVENUE

## PROPERTY TAX Special Assessments for Certain Electric or Utility Standards

April 29, 2005

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

Department of Revenue

Analysis of S.F. 527 (Reiter) / H.F. 732 (Meslow) **1<sup>st</sup> Engrossment**

	<b>Fund Impact</b>			
	<b><u>F.Y. 2006</u></b>	<b><u>F.Y. 2007</u></b>	<b><u>F.Y. 2008</u></b>	<b><u>F.Y. 2009</u></b>
General Fund	\$0	\$0	\$0	\$0

(000's)

Effective August 1, 2005.

### EXPLANATION OF THE BILL

The bill would authorize local governments to make special assessments for electric or utility system improvements. Upon petition by affected property owners, a municipality may enter an agreement with a private or cooperative electric or communications utility to pay all or a portion of the incremental costs to bury or alter an existing service distribution system within the public right-of-way. The incremental costs are those which exceed the design and construction standards set by law, tariff, or franchise.

### REVENUE ANALYSIS DETAIL

- The bill would have no impact on the state general fund. If the utility special assessments serve as an alternative to increasing local property taxes, there is a possibility for some homestead property tax refund savings to the state.
- It is unknown how many municipalities would choose to make special assessments for the eligible electric or utility improvements.

**Number of Taxpayers:** Unknown.

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)