

MINNESOTA • REVENUE

PROPERTY TAX Metropolitan Council Transit Bonds

March 14, 2005

Department of Revenue
Analysis of S.F. 1366 (Pogemiller)

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

	Fund Impact			
	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
General Fund	\$0	\$0	(\$18)	(\$113)

(000's)

Effective day following final enactment.

EXPLANATION OF THE BILL

The proposal authorizes the Metropolitan Council to issue up to an additional \$64 million in certificates of indebtedness, bonds, or other obligations for capital expenditures prescribed in the council's regional transit master plan and transit capital improvement program. The authority is limited to the seven metropolitan counties. A prohibition against light rail transit bonding is repealed.

REVENUE ANALYSIS DETAIL

- Bond principal and interest would be paid by increasing property tax levies.
- It is assumed that \$9 million of bonds would be issued in FY 2006, \$32 million in FY 2007, and the remaining \$23 million in FY 2008.
- Additional debt service levies would increase homeowner taxes. Property tax refunds would increase by an estimated \$18,000 in FY 2008 and \$113,000 in FY 2009.

Number of Taxpayers: All taxpayers in the seven metropolitan counties.

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

sf1366_1 / LM