

MINNESOTA • REVENUE

PROPERTY TAX Truth In Taxation – Taxpayer Satisfaction Survey

March 23, 2005

Department of Revenue
Analysis of S.F. 1455 (Limmer) / H.F. 1660 (Krinkie)

	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>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective for taxes payable in 2006 and thereafter.

EXPLANATION OF THE BILL

The bill creates a taxpayer satisfaction survey for the truth in taxation process, eliminates certain required public hearings, and changes proposed property tax notice and certification dates.

A taxpayer satisfaction survey, created by the Commissioner of Revenue, would be enclosed with each proposed property tax notice. The survey must include the current year and proposed budget and property tax levy, including percentage changes, for both the county and a city with a population of 500 or more. The survey shall present the following question for each jurisdiction:

“Are you satisfied with the proposed property tax levy for (name the jurisdiction)?

Yes

No

The form must notify the taxpayer that if the number of responses marked “No” exceeds 20% of the total number of proposed tax notices in the jurisdiction, and the property tax levy subject to approval exceeds the property tax levy for taxes payable in the current year, a referendum must be held on the last Tuesday in January. The Commissioner of Revenue shall designate the agency to receive and process the taxpayer satisfaction surveys each year. For taxes payable in 2006, counties are responsible for tabulating and announcing the results of the survey by December 8th.

A jurisdiction whose levy is subject to referendum would certify two levy amounts, one if the referendum is successful and another if it is not successful, and recertify its final levy the day following the election.

The bill eliminates the requirement for jurisdictions to hold public hearings regarding proposed property taxes.

EXPLANATION OF THE BILL (continued)

The bill also makes several changes to dates related to the notices of proposed property taxes and certification of levies.

REVENUE ANALYSIS DETAIL

- The creation of a taxpayer satisfaction survey and other modifications to the truth in taxation process would have no impact on the state general fund.

Number of Taxpayers: 87 counties and 485 cities with population of 500 or more subject to the taxpayer satisfaction survey, and other taxing jurisdictions certifying levies to the county auditor.

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