

# MINNESOTA • REVENUE

## PROPERTY TAX Fergus Falls Regional Treatment Center

March 26, 2008

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of H.F. 3064 (Nornes) / S.F. 2713 (Skogen)

Effective for taxes payable in 2009 and thereafter.

### EXPLANATION OF THE BILL

The bill extends the current exemption of the former regional treatment center located in Fergus Falls. The property would remain exempt for 15 years, with a value phase-in beginning in the 13th year.

### REVENUE ANALYSIS DETAIL

- The property is currently owned by the city of Fergus Falls and has JOBZ designation. The bill exempts the property by statute, even if sold to a developer.
- The local tax base would not increase for the duration of the exemption, which it would if sold to a developer under current law. The extended exemption would therefore raise the local tax rate for other properties, including homesteads. Property tax refunds would increase slightly due to shifting of taxes onto homesteads from the favored parcels.

Source: Minnesota Department of Revenue  
Property Tax Division – Research Unit  
[http://www.taxes.state.mn.us/taxes/legal\\_policy](http://www.taxes.state.mn.us/taxes/legal_policy)

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