

MINNESOTA • REVENUE

PROPERTY TAX

Raise HRA Levy Maximum

April 21, 2008

Department of Revenue
Analysis of H.F. 4204 (Lenczewski)

	Yes	No
DOR Administrative Costs/Savings		X

	Fund Impact			
	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>	<u>F.Y. 2010</u>	<u>F.Y. 2011</u>
			(000's)	
General Fund	\$0	\$0	(Unknown)	(Unknown)

Effective for property taxes payable in 2009 and thereafter.

EXPLANATION OF THE BILL

The bill raises the maximum rate for housing and redevelopment special taxing districts from .0144 percent of taxable market value to .025 percent.

REVENUE ANALYSIS DETAIL

- The cap increase is a 74% increase over current law.
- According information on the 2007 Taxlist Abstract, special taxing district HRAs levy \$32 million in tax.
- Not all HRAs levy at the current limit, and an unknown number would levy over the old limit.
- Net taxes would be affected by the levy change. A portion of those levies would be paid by homesteads. Property tax refunds would be proportionately affected by homestead net tax changes.

Number of Taxpayers: Unknown.

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

hf4204_pt_1 /lm