

MINNESOTA • REVENUE

PROPERTY TAX Minneapolis and Hennepin County Library Merger

April 20, 2007

Department of Revenue
Analysis of S.F. 1812 (Rest), 1st Engrossment

| | Yes | No |
|---|-----|----------|
| DOR Administrative Costs/Savings | | X |

Effective after transactional documents have been executed and certificates of local approval have been filed by the Minneapolis Library Board, the city of Minneapolis, and Hennepin County.

Article 1 allows the Minneapolis Public Library to merge with the Hennepin County library system. The bill requires the assets of the Minneapolis Public Library to be transferred to Hennepin County, including all buildings, land, collections, leases, and personal property. The parking ramp attached to the Central Library of the Minneapolis Public Library shall be transferred from the city of Minneapolis to Hennepin County. Minneapolis library employees will be transferred to Hennepin County. Employees may remain members of the Minneapolis Employee Retirement Fund. The city of Minneapolis remains liable for Minneapolis Public Library construction bonds. Minneapolis will also contribute \$7.8 million in operating funds in the first year, with the amount decreasing 10% each year thereafter. Unspent planetarium funds shall be redirected to Hennepin County. Ballpark tax funds allocated to extending the hours for the Minneapolis Public Library and Hennepin County libraries shall apply to the merged library system. Conforming statutory changes are made in Article 2.

The proposed merger may have an impact on local tax bases and tax rates in the future and may result in a small change in property tax refunds paid by the state.

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

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