

# MINNESOTA • REVENUE

## PROPERTY TAX Special Levy for Costs of Confining Sex Offenders

March 17, 2009

|                                     |     |    |
|-------------------------------------|-----|----|
|                                     | Yes | No |
| DOR Administrative<br>Costs/Savings |     | X  |

Department of Revenue  
Analysis of H.F. 0850 (Haws) \**Preliminary*\*

|              | <u>Fund Impact</u> |                  |                  |                  |
|--------------|--------------------|------------------|------------------|------------------|
|              | <u>F.Y. 2010</u>   | <u>F.Y. 2011</u> | <u>F.Y. 2012</u> | <u>F.Y. 2013</u> |
|              |                    |                  | (000's)          |                  |
| General Fund | (\$0)              | (unknown)        | (unknown)        | (unknown)        |

Effective for taxes payable in 2010 and thereafter.

### EXPLANATION OF THE BILL

The bill authorizes a special levy for the difference between one-half the costs of confining sex offenders undergoing the civil commitment process and any state payments for this purpose.

### REVENUE ANALYSIS DETAIL

- If state payments for purposes of confining sex offenders undergoing the civil commitment process provide less than half of total costs it is assumed that counties will fund the difference.
- The authorization of this special levy will cause total levies to increase in counties that:
  - Are already levying the maximum under current law, and
  - Would find it necessary to increase total revenues to meet costs for confining sex offenders
- If cities or counties choose to impose special levies, the result would be an increase in state payments of homestead property tax refunds due to the increased property tax burden on homeowners.
- The general fund impact is currently unknown but will be estimated shortly.
- *Example:* If 61 counties limited by levy limits in Pay 2010 each levy an additional \$200,000 the estimated property tax refund increase would total \$464,000 in FY 2011.

**Number of Taxpayers:** Unknown.

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)