

# MINNESOTA • REVENUE

## PROPERTY TAX

### Counties and Cities Required to Report Additional Budgetary Information

February 27, 2012

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of H.F. 1954 (Downey), First Engrossment

	<b>Fund Impact</b>			
	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective July 1, 2012.

### EXPLANATION OF THE BILL

The bill would require cities with a population over 2,500 and counties to publish electronic budgetary information by September 30 of each year. The budget information would include four years of revenues and expenditures by function and by expenditure type, including the two most recently concluded budget years, estimated data for the current budget year, and projected data for the proposed budget. The forms and reporting requirements would be established by the state auditor's office.

The penalty for failing to provide the required information would be the withholding of local government aid, county program aid, state highway aids and amortization aids in the following calendar year.

### REVENUE ANALYSIS DETAIL

- The analysis assumes all cities and counties required to publish electronic budgetary information would comply.
- The bill would not impact the state general fund.

**PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)**

*Transparency, Understandability, Simplicity & Accountability*      Increase      For taxpayers, additional budgetary information may become available in a standardized form.

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*Efficiency & Compliance*      Neutral      In the short term, additional administrative costs would be incurred to develop reporting requirements and Web site design.

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*Equity (Vertical & Horizontal)*      Neutral

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*Stability & Predictability*      Neutral

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*Competitiveness for Businesses*      Neutral

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*Responsiveness to Economic Conditions*      Neutral

*The bill is scored on a three point scale (decrease, neutral, increase) for each principle in comparison to current law.*

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

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