

# MINNESOTA • REVENUE

March 27, 2012

## PROPERTY TAX

### Local Government Aid - City of Bovey

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of H.F. 1788 (Anzelc) / S.F. 1481 (Saxhaug) as introduced

	<b>Fund Impact</b>			
	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
		(000's)		
General Fund	(\$251)	\$0	\$0	\$0

Effective the day following final enactment.

The bill would provide payment to the city of Bovey for its 2011 local government aid (LGA) payment withheld due to noncompliance with financial reporting requirements. The payment of withheld LGA to the city would be made before June 30, 2012.

- The February 2012 forecast assumes the full LGA appropriation would be paid to cities.
- The payment of withheld LGA to the city of Bovey would equal \$251,002.
- The \$251,002 that will be unpaid under current law will cancel at the end of the fiscal year.
- Under the bill, the withheld amount would be paid in FY 2012 at a cost to the state general fund of \$251,002.

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

*Transparency, Understandability, Simplicity & Accountability*      Neutral

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*Efficiency & Compliance*      Decrease      Forgoing penalties may reduce future compliance with financial reporting requirements.

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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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