

MINNESOTA · REVENUE

February 19, 2013

PROPERTY TAX Airport Land Reattachment

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue
Analysis of H.F. 0497 (Johnson, S.) as introduced

	Fund Impact			
	FY2014	FY2015	FY2016	FY2017
	(000's)			
School Equalized Aids	\$0	\$60	\$60	\$60
Property Tax Refunds	\$0	negligible	negligible	negligible
General Fund Total	\$0	\$60	\$60	\$60

EXPLANATION OF THE BILL

The bill removes the exemption for qualifying metropolitan intermediate airports from the city and school tax base. Qualifying airports have a runway between 5,001 and 8,000 feet, and precision instrument capability.

REVENUE ANALYSIS DETAIL

- In the metro area, only St. Paul's 6,491 foot runway qualifies it as an intermediate airport under this definition.
- The bill would impact school general equalization aids. The \$24.9 million increase in market value for the school district lowers state aid and increases the local levy. The state aid reduction would be about \$60,000 for each fiscal year. (2009 estimate)
- The proposal would decrease homestead property taxes, resulting in a small decrease in property tax refunds paid by the state.

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

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral
<i>Efficiency & Compliance</i>	Neutral
<i>Equity (Vertical & Horizontal)</i>	Neutral
<i>Stability & Predictability</i>	Neutral
<i>Competitiveness for Businesses</i>	Neutral
<i>Responsiveness to Economic Conditions</i>	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
www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx

hf0497_pt_1/lam