

MINNESOTA · REVENUE

Revised
March 13, 2013

PROPERTY TAX
**SE Minnesota Multicounty Housing and
Redevelopment Levy Authority**

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

Department of Revenue
Analysis of S.F. 0896 (Stumpf) / H.F. 1027 (Kiel) as introduced

| | Fund Impact | | | |
|---------------------------------|--------------------|---------------|---------------|---------------|
| | FY2014 | FY2015 | FY2016 | FY2017 |
| | (000's) | | | |
| Property Tax Refund Interaction | \$0 | (\$45) | (\$45) | (\$45) |
| Income Tax Interaction | \$0 | (\$46) | (\$46) | (\$46) |
| General Fund Total | \$0 | (\$91) | (\$91) | (\$91) |

Effective beginning for taxes payable in 2014 and is repealed for taxes payable in 2020 and thereafter.

EXPLANATION OF THE BILL

Current Law: The Northwest Minnesota Multicounty Housing and Redevelopment Authority (HRA) is a special taxing district operating in Kittson, Polk, Marshall, Pennington, Red Lake and Roseau counties. Levy amounts are limited to 0.0185 percent of the taxable market value within the district. The HRA authority to levy without approval by the governing bodies of the above counties and their cities is 25 percent of the total permitted amount. The 25 percent levy authority provision expires after taxes payable 2013.

Proposed Law: The bill would authorize the Northwest Minnesota Multicounty House and Redevelopment Authority to levy 25 percent of the total permitted amount without the approval of counties and cities through taxes payable 2019. The bill would also provide the same levy authority to the Southeast Minnesota Multicounty Housing and Redevelopment Authority operating in Dodge, Goodhue, Wabasha and Winona counties.

REVENUE ANALYSIS DETAIL

- It is assumed that the maximum permitted amount, about \$1.07 million combined, would be levied. This amount is assumed to be in addition to the levy amount already approved by county and city governing bodies.
- If the maximum amount were levied the result would be an increase in state-paid homeowner property tax refunds and income tax deductions beginning in FY 2015.

Source: Minnesota Department of Revenue
Property Tax Division - Research Unit
[www.revenue.state.mn.us/research_stats/
pages/revenue-analyses.aspx](http://www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx)

sf0896(hf1027)_pt_2/nrg

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.