

# MINNESOTA • REVENUE

## PROPERTY TAX Emergency Medical Services Special Taxing Districts Modifications

April 02, 2013

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 0558 (Metzen) / H.F. 1177 (Hansen) as introduced

### Fund Impact

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>
	(000's)			
Property Tax Refund Interactions	\$0	(\$20)	(\$20)	(\$20)
Income Tax Interactions	\$0	(\$20)	(\$20)	(\$20)
General Fund Total	\$0	(\$40)	(\$40)	(\$40)

Effective date assumed to be August 1, 2013.

### EXPLANATION OF THE BILL

Under current law, the levy authority for an emergency medical services special taxing district is limited to 0.048% of the taxable value of the district or \$400,000, whichever is less.

The bill would expand levy authority by providing each political subdivision participating in an emergency medical services special taxing district with levy authority equal to 0.048% of the taxable value of the district or \$400,000, whichever is less.

### REVENUE ANALYSIS DETAIL

- Three emergency medical services special taxing districts were identified from the pay 2013 levy survey: one in Beltrami County, one in Cass County and one in Dakota County. It is assumed that the district in Dakota County would be impacted by the bill.
- Providing levy authority to each political subdivision participating in an emergency medical services special taxing district would potentially increase property taxes within a district.
- The current levy for the emergency medical services special taxing district in Dakota County is \$400,000 for payable year 2013. Assuming two municipalities participating in the district, a potential levy increase of \$400,000 under the proposal would increase property taxes on all property classes including homesteads.
- The increased property tax burden would increase state-paid homeowner property tax refunds and income tax deductions beginning in FY 2015, resulting in a cost to the state general fund.

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

<i>Transparency, Understandability, Simplicity &amp; Accountability</i>	Neutral	The definition of "participating political subdivision" is unclear.
<i>Efficiency &amp; Compliance</i>	Neutral	
<i>Equity (Vertical &amp; Horizontal)</i>	Neutral	
<i>Stability &amp; 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](http://www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx)

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