

MINNESOTA • REVENUE

PROPERTY TAX

Municipalities Street Improvement Districts

April 08, 2013

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 0607 (Carlson) 2nd Engrossment

The bill would allow cities to create street improvement districts and impose fees to pay for street improvements in the district. Fees may be collected within a district for a maximum of 20 years. The revenue from fees must be placed in a separate account and be used only for projects located in the district. The total costs of municipal street improvement projects must be uniformly apportioned to all developed parcels in the district based on property classification.

The authorization of street improvement districts would be effective beginning July 1, 2013 and expires on June 30, 2018. Fees for municipal street improvements imposed before the expiration date continue until they expire by the terms of the original ordinance.

There is no assumed impact to the state general fund.

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](http://www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx)

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