MINNESOTA · REVENUE

April 08, 2013

PROPERTY TAX
Municipalities Street Improvement Districts

	Yes	No
DOR Administrative Cost/Savings		x

Department of Revenue
Analysis of H.F. 0745 (Erhardt) 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 bill would become effective beginning July 1, 2013.

There is no assumed impact to the state general fund.

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

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

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