

MINNESOTA • REVENUE

PROPERTY TAX

Cloquet Area Fire and Ambulance Special Taxing District

April 02, 2013

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 1280 (Lourey) / H.F. 1486 (Sundin) as introduced

Fund Impact

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective date assumed to be August 1, 2013.

EXPLANATION OF THE BILL

Under current law, any other municipality that is contiguous to a municipality in the Cloquet Area Fire and Ambulance Special Taxing District may join the district with agreement of the member municipalities. The tax levy imposed shall not exceed 0.2835% of the district's taxable market value for taxes payable 2010.

The bill would allow municipalities that are not contiguous to a member city to join the special taxing district. The tax levy would be modified to apply to all taxable market value in the primary service area that receives the services.

REVENUE ANALYSIS DETAIL

- For new municipalities that may join the Cloquet Area Fire and Ambulance Special Taxing District, it is assumed that the services provided by the special taxing district are already being provided by other governmental units under current law.
- Transferring these services from a city to a special taxing district is assumed to provide a similar level of service at a similar tax levy amount. Therefore 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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