

MINNESOTA • REVENUE

April 08, 2013

PROPERTY TAX TNT Modifications

	Yes	No
DOR Administrative Cost/Savings		x

Department of Revenue
Analysis of S.F. 1563 (Skoe) / H.F. 1724 (Davnie) as introduced

The bill would modify the truth in taxation local budget process by repealing the requirement to send proposed property tax notices to each taxpayer in November and instead require a public meeting on or before September 1 to discuss budget and levy decisions. Jurisdictions required to hold a public meeting would include cities with a population over 2,500, counties, school districts and select metropolitan special taxing districts. At the public meeting each taxing jurisdiction must provide information on the changes in the levy amount and tax rates, including the four most significant factors resulting in the change.

The truth in taxation requirement changes would be effective beginning with taxes payable in 2014.

There is no assumed impact to the state general fund due to the proposed local budget hearing requirements.

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

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral	General budget information would become more accessible earlier in the local budget process while parcel level notifications would be eliminated.
<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

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