

# MINNESOTA • REVENUE

## PROPERTY TAX

### Carlton County Soil and Water Conservation District levy authority granted

February 28, 2014

	Yes	No
DOR Administrative Cost/Savings		x

Department of Revenue

Analysis of H.F. 1895 (Sundin) / S.F. 1687 (Lourey) as introduced

#### Fund Impact

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>
			(000's)	
Property Tax Refunds	\$0	\$0	(negligible)	(negligible)
Income Tax Interactions	\$0	\$0	(negligible)	(negligible)

## EXPLANATION OF THE BILL

The proposal would grant levy authority to the Carlton County Soil and Water Conservation District as a special taxing district. Any proceeds of any tax imposed under its levy authority may only be used to pay for costs of obtaining a loan to finance the planning, construction, and equipping of an office and storage facility for the district. The district's levy authority would expire following the final payment of any costs of the loan or if the district does not obtain a loan by May 1, 2017. The authority would become effective following local approval.

## REVENUE ANALYSIS DETAIL

- Based on information from Carlton County SWCD, total project cost is estimated at \$2 million.
- Under the proposal, the district will have authority to levy for costs. Levying is expected to begin in taxes payable 2015 at an amount of \$67,000 per year (with an expected 30-year loan).
- The increase in levy would increase property taxes on all properties within the district, including homesteads.
- The increased property tax burden would increase state-paid homeowner property tax refunds and income tax deductions beginning in FY 2016, resulting in a negligible cost to the state general fund.

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)

hf1895(sf1687)\_pt\_1/wkm

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

<i>Transparency, Understandability, Simplicity &amp; Accountability</i>	Neutral	The creation of levy authority and use of revenue are clearly specified.
<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.*