MINNESOTA · REVENUE

March 04, 2014

PROPERTY TAX

Obsolete provisions eliminated, and clarifying and minor policy changes

Property Taxes and Local Aids Only --
See Separate Analysis for State Taxes

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue
Analysis of H.F. 2107 (Lenczewski) as introduced

	Fund Impact			
	FY2014	**FY2015**	**FY2016**	**FY2017**
	(000's)			
General Fund	$0	$0	$0	$0

Various effective dates.

EXPLANATION OF THE BILL

The bill would eliminate a number of obsolete property tax provisions and expired references, as well as make minor policy changes to simplify certain provisions. Changes included:

- Repealing the aggregate resources preservation property tax law and references,
- Eliminating certain minor special levies related to levy limits,
- Eliminating adjustments to the calculation of disparity reduction aid for changes in class rates,
- Repealing exemptions for never built public utility facilities,
- Repealing the biotechnology and health sciences industry zone law and references,
- Repealing compact development tax increment financing district authorization.

REVENUE ANALYSIS DETAIL

- There is assumed to be no impact to the state general fund from the proposed changes.
- The aggregate resources preservation and biotech zone provisions were never exercised.

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

Transparency, Understandability, Simplicity & Accountability	Increase	Fewer obsolete references.
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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