

MINNESOTA • REVENUE

PROPERTY TAX

Roseau county supplemental county program aid payment increase authorization

April 26, 2016

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 3410 (Stumpf) / H.F. 3794 (Fabian) as introduced

	Fund Impact			
	FY2016	FY2017	FY2018	FY2019
	(000's)			
CPA Appropriation Increase	\$0	\$0	(\$946)	\$0
Property Tax Interactions	\$0	\$0	\$20	\$0
Income Tax Interactions	\$0	\$0	\$20	\$0
General Fund	\$0	\$0	(\$906)	\$0

Effective for aids payable 2017

EXPLANATION OF THE BILL

The proposed bill would increase the need aid appropriation in County Program Aid (CPA) by \$946,000 for aids payable 2017. The \$946,000 would go to Roseau County to compensate for the timber revenue loss resulting from the April 2015 Palsburg wildfire.

REVENUE ANALYSIS DETAIL

- Increasing the appropriation for CPA would increase costs to the state general fund by \$946,000 in FY 2018.
- It is assumed that increasing CPA will result in Roseau lowering their levy by a portion of the aid increase. A lower levy will decrease property taxes on all property.
 - A lower levy will result in lower homeowner property tax refunds, reducing costs to the state general fund.
 - A lower levy will result in lower income tax deductions, increasing revenues 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)

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

<i>Transparency, Understandability, Simplicity & Accountability</i>	Decrease	Provision is uncodified so it is not included with other CPA statutes
<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>	Increase	Gives economic relief to a county affected by an economic hardship

The bill is scored on a three point scale (decrease, neutral, increase) for each principle in comparison to current law.