

January 29, 2019

	<b>Yes</b>	<b>No</b>
<b>DOR Administrative Costs/Savings</b>		<b>X</b>

Department of Revenue  
Analysis of H.F. 333 (Acomb) As Proposed to be Amended (H0333A2)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2020</u></b>	<b><u>F.Y. 2021</u></b>	<b><u>F.Y. 2022</u></b>	<b><u>F.Y. 2023</u></b>
	(000's)			
General Fund	\$0	(\$800)	\$0	\$0
Natural Resources and Arts Funds	\$0	(\$50)	\$0	\$0
Total – All Funds	\$0	(\$850)	\$0	\$0

Effective the day following final enactment.

**EXPLANATION OF THE BILL**

The bill would exempt materials, supplies, and equipment incorporated into the construction, remodeling, expansion, or improvement of a fire station and police station, and related public safety facilities owned and operated by the city of Minnetonka. As proposed to be amended, related facilities include access roads, lighting, sidewalks, and utility components.

The bill is limited to sales and purchases made after the date following final enactment and before January 1, 2021. The exemption would be administered as a refund. Refunds would be limited to no more than \$850,000.

**REVENUE ANALYSIS DETAIL**

- Information for the estimates was provided by a representative of the city of Minnetonka. Additional information is available on the city website and the city Capital Improvement Plan 2019-2023.
- The Minnetonka Police and Fire 2020 Facility Project is estimated to cost approximately \$25 million. The fire station is projected to be completed first and is estimated to cost \$14 million. The remodeling project is expected to be completed second and is estimated to cost \$11 million.
- Total construction costs for materials, supplies, and equipment are estimated to be \$12.5 million.
- It is assumed that the maximum amount of \$850,000 will be claimed in fiscal year 2021.

Minnesota Department of Revenue  
Tax Research Division  
[www.revenue.state.mn.us/research/stats/Pages/Revenue-Analyses.aspx](http://www.revenue.state.mn.us/research/stats/Pages/Revenue-Analyses.aspx)