

**PROPERTY TAX**  
**State fire aid penalty forgiveness**  
**authorization Austin**

March 07, 2019

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

Department of Revenue

Analysis of S.F. 0569 (Sparks) / H.F. 0416 (Poppe) as introduced

	<b>Fund Impact</b>				
	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
	(000's)				
General Fund	(\$129)	\$0	\$0	\$0	\$0

Effective the day following final enactment.

**EXPLANATION OF THE BILL**

Under current law, a city that has a volunteer firefighter relief association must distribute any state aid related to fire to the volunteer relief association. Prior law allowed cities with both career and volunteer firefighters to split state aids, however this law was repealed in 2013. The State Auditor determined the city of Austin was still using the repealed law and as a result their 2016 fire and supplemental aids were forfeited.

The bill would reimburse the city of Austin with the 2016 fire aid and supplemental aid amounts totaling \$129,093.40.

**REVENUE ANALYSIS DETAIL**

- Under current law, unpaid fire aid and supplemental state aid payments cancel to the state general fund.
- The bill would provide for payment of the withheld amount at a cost to the state general fund.
- The city of Austin in Mower County would receive a payment of \$129,093.40 in FY2019.

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

<i>Transparency, Understandability, Simplicity &amp; Accountability</i>	Neutral
<i>Efficiency &amp; Compliance</i>	Decrease Forgive penalties may reduce future compliance with state aid laws.
<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.

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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