

**PROPERTY TAX
State-assessed property preliminary
evaluations issuance provisions
modifications**

March 12, 2019

	Yes	No
DOR Administrative Cost/Savings	X	

Department of Revenue

Analysis of S.F. 1901 (Mathews) as proposed to be amended by SCS1901A-3

Effective the day following final enactment.

EXPLANATION OF THE BILL

Under current law:

- When the state provides recommended assessment values to counties, the values must be certified to county auditors by August 1. Corrections must be made by October 1.
- When a utility company or railroad files an appeal in court of its state-assessed valuation, the state must give notice by first class mail to each county auditor where property included in the petition is located.
- When a company submits an administrative appeal prior to bringing an action in court, the state may reach an agreement with the company that determines the final valuation, if the agreement is deemed to be in the best interest of the state.

Under the proposal:

- Recommended assessment values must be certified to county auditors by June 15. Corrections must be made by August 1.
- When a utility company or railroad files an appeal in court or submits an administrative appeal, the state must give notice by first class mail to the county auditor where property included in the petition is located.
- Valuation agreements between a company and the state must also describe how the settlement is in the best interest of the state and affected local jurisdictions.
- In addition, the proposal requires the state to develop an electronic means to notify each city, county, and taxing jurisdiction where property included in an administrative appeal or tax court petition is located. Notifications must provide the following information:
 - notice that an administrative appeal or tax court petition was filed;
 - a copy of the appeal or petition;
 - for administrative appeals: a copy of any final, written agreement within ten days of its signing; and
 - any other information regarding the status of an appeal and settlement negotiations.

REVENUE ANALYSIS DETAIL

- It is assumed that the proposal would have no revenue impact on the state general fund.

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

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral
<i>Efficiency & Compliance</i>	Decrease The earlier deadlines and additional notices will result in higher administrative costs for the state.
<i>Equity (Vertical & Horizontal)</i>	Neutral
<i>Stability & 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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