

PROPERTY TAX
School district equalized referendum levies calculation modification and appropriation

April 03, 2019

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 0670 (Chamberlain) / H.F. 0618 (Runbeck) as introduced

	Fund Impact			
	FY2020	FY2021	FY2022	FY2023
	(000's)			
Referendum Aid	\$0	(\$23,140)	(\$22,940)	(\$21,140)
Property Tax Refund Interaction	\$0	\$1,150	\$1,010	\$930
Income Tax Interaction	\$0	\$900	\$790	\$730
General Fund Total	\$0	(\$21,090)	(\$21,140)	(\$19,480)

Effective beginning with taxes payable in 2020.

EXPLANATION OF THE BILL

The bill increases school referendum aid by adjusting the factors used to calculate the tiers of referendum equalization levies.

REVENUE ANALYSIS DETAIL

- Based on estimates from the Department of Education, the proposal would increase state aid to school districts by \$23.14 million in FY 2021, \$22.94 million in FY 2022, and \$21.14 million in FY 2023.
- The increase in referendum aid to independent school districts would reduce existing school district levies beginning in taxes payable 2020. Lower levies would reduce property taxes on all property.
- The lower property tax burden would reduce state-paid homeowner property tax refunds and income tax deductions beginning in fiscal year 2021, resulting in a savings 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

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