

PUBLIC FINANCE

Watershed district construction or implementation fund and project tax levy sources of financing expansion

April 10, 2019

	Yes	No
DOR Administrative Cost/Savings		x

Department of Revenue

Analysis of S.F. 1391 (Lang) / H.F. 2275 (Poppe) as introduced

	Fund Impact			
	FY2020	FY2021	FY2022	FY2023
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Assumed effective date August 1, 2019.

EXPLANATION OF THE BILL

The proposal would make the following changes to watershed districts.

Section 1: Under current law watershed district's construction or implementation funds may receive loans from the Pollution Control Agency or federal government. This proposal would allow watershed district's construction or implementation funds to receive loans or grants from the state or federal government.

Section 2 (1): Under current law watershed districts can levy for projects that receive grants or loans from the Clean Water Partnership. This proposal would allow watershed districts to levy for projects that receive grants or loans appropriated by law.

Section 2 (2 and 3): Under current law watershed districts can levy for repayment of bonds or interest associated with bonds from the Clean Water Partnership. This proposal would allow watershed districts to levy for repayment of bonds or interest associated with any bonds.

REVENUE ANALYSIS DETAIL

- It is assumed that any additional money levied as a result of the proposal would be shifted away from other watershed district funds, and there is no impact assumed to the state general fund.
- If the proposal led to a change in the total amount watershed district levies, property taxes would change for some taxpayers. A change in property taxes could result in a change in homeowner property tax refunds and income tax deductions, which may increase or decrease costs to the state general fund.

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

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral
<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>	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)

sf1391(hf2275)_pt_1/css