

January 19, 2021

**PROPERTY TAX
Cloquet Area Fire and Ambulance
Special Taxing District**

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue
Analysis of H.F. 0068 (Sundin) / S.F. 0087 (Rarick) as introduced

	Fund Impact			
	FY2022	FY2023	FY2024	FY2025
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective upon local compliance.

EXPLANATION OF THE BILL

Under current law, the Cloquet Area Fire and Ambulance Special Taxing District may levy up to 0.019 percent of estimated market value in municipalities receiving only ambulance services. In municipalities receiving both fire and ambulance services, the district may levy up to 0.2835 percent of estimated market value.

The proposal would increase the maximum levy for municipalities with ambulance service only from 0.019 percent to 0.048 percent. The maximum levy for municipalities with fire and ambulance services would remain 0.2835 percent.

REVENUE ANALYSIS DETAIL

- The Cloquet Area Fire and Ambulance Special Taxing District levy for municipalities only receiving ambulance services is currently at its maximum amount. The levy for municipalities receiving both fire and ambulance services is not currently at its maximum amount.
- According to a local official with the Cloquet Area Fire and Ambulance Special Taxing District, if the proposal passed, the total levy amount would not increase. Instead, a portion of the levy would shift from the fire and ambulance municipalities onto municipalities receiving only ambulance services.
- The proposed changes to the levy may shift property taxes among properties in the district and may result in a small change in property tax refunds paid by the state.

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

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral
<i>Efficiency & Compliance</i>	Neutral
<i>Equity (Vertical & Horizontal)</i>	Increase Would allow the special taxing district to more fairly spread their levy.
<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

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