

February 09, 2021

**PROPERTY TAX
Citizens' Property Tax Advisory
Committee Established**

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue
Analysis of H.F. 0496 (Marquart) as introduced

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

Various effective dates.

EXPLANATION OF THE BILL

The proposal would make the following changes to the truth-in-taxation process:

- Require all counties and cities with a population of 500 or more to establish a citizens' property tax advisory committee. The committee would provide input and recommendations to the county board or city council regarding budgeting.
- Require a supplemental information statement be provided and delivered with the proposed property tax notices to taxpayers. The statement would include budgeting information for counties, cities/townships, and school districts used to determine property tax levies.
- Create a "Minnesota Property Taxpayer's Day" on the first Wednesday after the first Monday in December. On this day counties, cities with a population of 500 or more, and schools districts would hold meetings where the public could give input on budgeting and levying.

REVENUE ANALYSIS DETAIL

- The proposed changes to the truth-in-taxation process would have no impact on 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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PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

<i>Transparency, Understandability, Simplicity & Accountability</i>	Increase	Taxpayers would have greater opportunity to be part of the local budgeting process and would receive more local budgeting information.
<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.