

**PROPERTY TAX
Aid Adjustment for Unpaid Local Assistance**

February 10, 2021

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 0749 (Weber), first committee engrossment SCS0749CE1

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

Effective beginning with local assistance activities provided in 2021.

EXPLANATION OF THE BILL

The proposal would allow a city or county seeking reimbursement for local assistance services provided to another city or county to file an application with the state auditor for unpaid amounts. The reimbursement would be certified as an adjustment to Local Government Aid (LGA) or County Program Aid (CPA) by reducing aid to the local government that received assistance and increasing aid to the local government that provided assistance. Certified adjustments under this provision would not impact the calculation of aids in the following year.

REVENUE ANALYSIS DETAIL

- Under the proposal, aid adjustments would result in a net zero change in the total aid distributions. Any aid adjustment increase to local governments seeking reimbursement would be equal to the aid reductions from local governments that received assistance.
- With no change in the LGA/CPA appropriations or total payments, there would be no impact 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

sf0749_pt_2/nrg

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.