

February 23, 2021

**PROPERTY TAX  
LGA penalty forgiveness Roosevelt**

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue  
Analysis of S.F. 1052 (Johnson) as introduced

	<b>Fund Impact</b>				
	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
	(000's)				
General Fund	(\$24)	\$0	\$0	\$0	\$0

Effective the day following final enactment.

**EXPLANATION OF THE BILL**

The bill would allow the city of Roosevelt in Roseau County to receive payment for the amount of its 2019 Local Government Aid (LGA) that was withheld for failing to meet financial reporting requirements with the state auditor. The city must file its 2018 and 2019 financial reports by June 20, 2021 in order for a payment of \$24,410 to be made to the city by June 30, 2021.

**REVENUE ANALYSIS DETAIL**

- Under current law, unpaid LGA payments cancel to the state general fund.
- The bill provides for payment of the withheld amount at a cost to the state general fund.
- The city of Roosevelt would receive a payment of \$24,410 in FY 2021.

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)

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

<i>Transparency, Understandability, Simplicity &amp; Accountability</i>	Neutral	
<i>Efficiency &amp; Compliance</i>	Decrease	Forgiving penalties may reduce future compliance with financial reporting requirements.
<i>Equity (Vertical &amp; Horizontal)</i>	Neutral	
<i>Stability &amp; 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.*