

**PROPERTY TAX
House Omnibus Transportation Bill
Article 6, Section 85**

April 09, 2021

**Property Taxes and Local Aids Only --
See Separate Analysis for State Taxes**

| | Yes | No |
|---------------------------------|-----|----|
| DOR Administrative Cost/Savings | | X |

Department of Revenue

Analysis of H.F. 1684 (Hornstein) Delete All Amendment (H1684DE2) As Amended (H1684A23)

| | Fund Impact | | | |
|---------------------------------|--------------------|---------------|---------------|---------------|
| | FY2022 | FY2023 | FY2024 | FY2025 |
| | (000's) | | | |
| Property Tax Refund Interaction | \$0 | (\$50) | (\$630) | (\$990) |
| Income Tax Interaction | \$0 | (\$20) | (\$250) | (\$400) |
| General Fund Total | \$0 | (\$70) | (\$880) | (\$1,390) |

Effective the day following final enactment.

EXPLANATION OF THE BILL

The proposal authorizes the Metropolitan Council to issue up to \$98.4 million in certificates of indebtedness, bonds, or other obligations for capital expenditures prescribed in the council's transit capital improvement program. Of the total authorization, the council may issue debt obligations of up to \$48.4 million after July 1, 2021 and \$50.0 million after July 1, 2022.

REVENUE ANALYSIS DETAIL

- The estimate is based on the February 2021 forecast.
- Bonding principal and interest will be paid by increasing property tax levies.
- Based on data from the Metropolitan Council, \$996,000 of new debt service levy will be paid in taxes payable year 2022. Debt service levies will increase in future years as more of the authorized bonds are issued.
- Any additional debt service levies increase homeowner taxes starting in taxes payable 2022. Property tax refunds will increase by about \$50,000 in FY 2023.
- Additional deductions for income tax itemization lowers income tax receipts. Income tax collections are estimated to decrease by \$20,000 in FY 2023.

Source: Minnesota Department of Revenue
Property Tax Division - Research Unit
<https://www.revenue.state.mn.us/revenue-analyses>

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