

**PROPERTY TAX  
County program aid  
appropriation increased**

March 22, 2022

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of H.F. 4399 (Sandstede) / S.F. 4138 (Weber) as introduced

	<b>Fund Impact</b>			
	<b>F.Y. 2022</b>	<b>F.Y. 2023</b>	<b>F.Y. 2024</b>	<b>F.Y. 2025</b>
	(000's)			
County Program Aid Appropriation*	\$0	\$0	(unknown)	(unknown)
Property Tax Refund Interaction	\$0	\$0	unknown	unknown
Income Tax Interaction	\$0	\$0	unknown	unknown
General Fund Total	\$	\$	(\$	(\$

\*The bill appropriates an unspecified amount for County Program Aid.

Effective beginning with aids payable in calendar year 2023.

**EXPLANATION OF THE BILL**

The proposal would increase the country program aid (CPA) appropriation by an unknown amount starting in aids payable 2023 and thereafter. It is unknown how the appropriation increase would be split between need aid and tax base equalization aid.

**REVENUE ANALYSIS DETAIL**

- Increasing the appropriation for CPA would increase costs to the state general fund by an unknown amount beginning in FY2024.
- It is assumed that the increased CPA would reduce property tax levies by a portion of the increase. Lower levies will reduce property taxes on all property.
  - Lower levies will result in lower homeowner property tax refunds, reducing costs to the state general fund.
  - Lower levies will result in lower income tax deductions, increasing revenues to the state general fund.

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

<i>Transparency, Understandability, Simplicity &amp; Accountability</i>	Neutral
<i>Efficiency &amp; Compliance</i>	Neutral
<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.*

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

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