

March 25, 2025

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 13 (Mitchell) / H.F. 1529 (Cha)

	Fund Impact			
	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
	(000's)			
General Fund	(\$370)	(\$370)	(\$370)	\$0
Natural Resources and Arts Funds	(\$20)	(\$20)	(\$20)	\$0
Housing Assistance Fund	(\$10)	(\$10)	(\$10)	\$0
Special Revenue Fund	(Negl.)	(Negl.)	(Negl.)	\$0
Total- All Funds	(\$400)	(\$400)	(\$400)	\$0

Effective retroactively for purchases made after January 31, 2024, and before December 1, 2028.

EXPLANATION OF THE BILL

The bill would exempt materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a water treatment facility and water tower, including water pipeline infrastructure and associated improvements funded by the city of Woodbury from the sales and use tax. The exemption would be administered as a refund and apply to purchases made after January 31, 2024, and before December 1, 2028.

REVENUE ANALYSIS DETAIL

- The estimate is based on project information provided by the city of Woodbury.
- The total project cost is estimated to be \$32.5 million.
- The total construction costs for materials, supplies, and equipment are estimated to be \$17.0 million.
- It is assumed that the bill limits the refund to the portion of the project paid from the city's own-source revenues.
- The projects began in 2024 and will be complete in December 2028. The distribution of expected refund claims is assumed based on the project timeline.