

March 26, 2025

Department of Revenue

Analysis of S.F. 1197 (Hauschild) / H.F. 1161 (Igo) as introduced

**PROPERTY TAX  
School Seasonal Tax Base  
Replacement Aid Established**

	Yes	No
DOR Administrative Costs/Savings		X

**Fund Impact**

	<b>F.Y. 2026</b>	<b>F.Y. 2027</b>	<b>F.Y. 2028</b>	<b>F.Y. 2029</b>
	(000's)			
Property Tax Refund Interaction	\$0	\$750	\$750	\$760
Income Tax Interaction	\$0	\$130	\$140	\$150
General Fund Total	\$0	\$880	\$890	\$910

Effective beginning with taxes payable in 2026.

**EXPLANATION OF THE BILL**

The proposal creates a seasonal tax base replacement aid for school districts. The aid amount is based on the ratio of the seasonal recreational property to the total referendum market value tax base of each school district. The additional state aid would reduce school referendum levies.

**REVENUE ANALYSIS DETAIL**

- According to the Minnesota Department of Education, the proposed seasonal tax base replacement aid is estimated to be \$9.1 million in taxes payable 2026, \$9.2 million in taxes payable 2027, and \$9.3 million in taxes payable 2028.
- School referendum levies would decrease by the amount of aid each year. This would decrease property taxes for all properties, including homesteads.
  - Lower property taxes would result in lower homeowner property tax refunds, reducing costs to the state general fund beginning in fiscal year 2027.
  - Lower property taxes would result in lower income tax deductions, increasing revenues to the state general fund beginning in fiscal year 2027.

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

sf1197(hf1161) School Seasonal Tax Base Aid\_pt\_1/wms