

**PROPERTY TAX
Expenditure Limit Increased for
Musical Entertainment**

April 23, 2025

Department of Revenue

Analysis of S.F. 3374 (Farnsworth) as proposed to be amended by SC3374A-1

	Yes	No
DOR Administrative Costs/Savings		X

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	\$0	\$0	\$0	\$0

Effective the day following final enactment.

EXPLANATION OF THE BILL

Under current law, cities of the third class with populations between 10,001 and 20,000 can spend up to \$3,000 annually on free musical entertainment for the public.

The proposal would increase the annual expenditure limit from \$3,000 to \$10,000.

REVENUE ANALYSIS DETAIL

- The proposed changes to the expenditure limit may have an impact on levy decisions in the future, which may result in small changes in property tax refunds and income tax deductions.

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

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral
<i>Efficiency & Compliance</i>	Neutral
<i>Equity (Vertical & Horizontal)</i>	Neutral
<i>Stability & 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>

sf3374(hf3215) Public Expenditure Limit_pt_1/css