

**PROPERTY TAX
Local Homeless Prevention Aid
Expiration Repealed and
Redistribution of Unspent Funds**

March 24, 2026

Department of Revenue
Analysis of H.F. 4561 (Gomez) as introduced

	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

*Cost impact beginning in FY 2030.

Effective beginning with aids payable 2027.

EXPLANATION OF THE BILL

Current law provides that local homeless prevention aid will expire after aids payable 2028. The proposal would remove this expiration, allowing the \$20 million in annual aid to continue indefinitely.

Unspent aid from counties and tribes reverts to the state general fund under current law. The proposal would instead direct unspent aid to increase future aid distributions. Unspent county aid would increase future county distributions, and unspent tribal aid would increase future tribal distributions.

REVENUE ANALYSIS DETAIL

- Removing the expiration date for the aid would have no effect on the state general fund during the forecast period, but would increase costs beginning in fiscal year 2030 and thereafter.
- The current forecast assumes the full aid to counties and tribes will be spent, so the proposed change for unspent funds is assumed to have no direct impact on the state general fund.

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>

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