

**PROPERTY TAX
Capitol Complex Host County Aid**

April 20, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 4408 (Pappas) / H.F. 4251 (Lee, K.) as introduced

	Fund Impact			
	F.Y. 2026	F.Y. 2027	F.Y. 2028	F.Y. 2029
	(000's)			
Capitol Complex County Host Aid	\$0	\$0	(\$20,000)	(\$20,000)
Property Tax Refund Interaction	\$0	\$0	\$1,180	\$1,180
Income Tax Interaction	\$0	\$0	\$380	\$380
General Fund Total	\$0	\$0	(\$18,440)	(\$18,440)

Effective beginning for aids payable in 2027.

EXPLANATION OF THE BILL

The proposal would create a new state aid program that would provide Ramsey County \$5 per square foot of state-owned buildings located in the Capitol Area. The county would be required to use this aid to reduce its property tax levy.

REVENUE ANALYSIS DETAIL

- The Capitol Area contains 15 state-owned buildings totaling approximately 4 million square feet.
- The estimated \$20 million in proposed aid would increase state general fund costs beginning in fiscal year 2028.
- The proposed aid would reduce property tax levies by an equal amount. Lower levies would reduce property taxes on all property.
 - Lower levies would result in lower homeowner property tax refunds, reducing costs to the state general fund beginning in FY 2028.
 - Lower levies would result in lower income tax deductions, increasing revenues to the state general fund beginning in FY 2028.

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>

sf4408(hf4251) Capitol Complex County Host Aid_pt_1/css