

Property Tax Aids & Credits - HF 3408 Division Report  
 Expenditure Tracking FY 2010-2013  
 Monday, April 26, 2010

HF 3408 DE1  
 4/26/2010, 1:00 pm

General Fund Tax Expenditure Changes				(All Numbers in Thousands)				Comments
				Pay 2009	Pay 2010	Pay 2011	Pay 2012	
HF	Description			FY 2010	FY 2011	FY 2012	FY 2013	
<i>Negative numbers represent expenditure reductions (budget savings) and positive numbers represent expenditure increases.</i>								
<b>Changes to February 2010 Forecast base spending</b>								
<b>1 Local Aids</b>								
2	1201	Marquart	Council on Local Results & Innovation					
3			County per capita	0	0	410	390	MVC Reimbursement per capita \$0.14 up to \$25,000 for participating counties.
4			City per capita	0	0	530	490	MVC Reimbursement per capita \$0.14 up to \$25,000 for participating cities.
4			administrative	0	0	6	2	State Auditor database modification
5			Market Value Credit offset	0	(30)	(971)	(907)	MVC offset for HFs 1201 & 1261
6	1261	Dittrich	Property Tax System Benchmarks -admin	0	30	25	25	DOR enhanced revenue note process
7	2887	Drazkowski	City of St. Charles disaster assistance	0	0	0	0	Enhanced LGA, \$50K in each FYs 11 & 12
8								
9	<b>Property Tax Changes</b>							
10	<b>Homesteads</b>							
11	27	Brod	Taxable value limited for reconstructed homes in a disaster area	0	0	negligible	negligible	3-yr value limitation for eligible properties
12	1906	Loeffler	Future relative homesteads eliminated	0	0	unknown	unknown	No class rate modification included
13	1975	Marquart	Senior Property Tax Deferral	0	0	45	50	Max income threshold of \$75,000
14	2587	Lieder	Special agricultural homesteads for certain taxpayer due to floods in Marshall County	0	0	0	0	A few properties impacted
15	3718	Westrom	Homestead classification extended to certain agricultural property with tie to existing agricultural homestead	0	0	unknown	unknown	Added market value to claim 1st tier rate of 0.5%. Effective for pay 2011
16	541 2633 3507 3806	Juhnke Masin Severson Obermueller	Disabled Veterans homestead property market value exclusion/senior deferral provisions for surviving spouses	0	0	0	(95)	Small revenue gain from reduced aid payments of PTR and MVC. Effective for pay 2011 and after.

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17	3760 Marquart Homestead treatment modified for mfg'd home park co-ops	0	0	0	0	Changes the class rate from 1.0% on first \$500K, 1.25% on remainder, to 0.75% Effective for pay 2011 and after
18	<b>Non-homestead</b>					
19	561 Davids Class 4c modification - commercial seasonal recreational residential 3737 Poppe	0	unknown	unknown	unknown	For 20 units or less, located in non-metro city or township with up to 2,500 residents, and contains DNR admin state trail land
20	830 Hosch Expands class 2 agricultural property to include cheese processing	0	0	0	0	Effective for pay 2011 and after
21	3107 Dettmer Property, agricultural land and boarding horses	0	0	0	0	Effective for pay 2011 and after
22	3548 Beard Airflight property levy calculations shown for certification	0	0	0	0	Moves certification date to Dec 31. Effective for pay 2011 and after
23	<b>Administrative</b>					
24	1395 Mullery Tax forfeited land management/conditional use deeds	0	0	0	0	State subdivisions applying for a conditional use deed would pay \$250 fee and require attorney general approval. Effective July 1, 2010
25	2240 Garofalo Application date changed to metropolitan agricultural preserve program	0	0	0	0	Changes filing date from March 1 to June 1. Effective day following final enactment except for application filed in 2010, where deadline would be August 1.
26	2462 Welti Special levy authority for county veteran service officers	0	0	negligible	0	Levy limits in 39 counties to reach maximum in pay 2011
27	2617 Scalze Housing Improvement Areas - petition & veto changes	0	0	0	0	Increases from 25% to 50% the number of owners needed to petition for HIA action or fee imposition; from 35% to 45% the number of residents needed to veto a fee increase. Effective July 1, 2010
28	2768 Kohls Special taxing district levy separate statement required	0	0	0	0	Modify tax statement to have separate lines for special tax district, e.g. Met Council, Airport Commission, Mosquito Control, Rail Authority
29	3440 Dittrich Electronic property tax payments	0	0	0	0	Permissive; Effective for taxes payable 2011 and after
30	3408 Marquart Property Tax technical changes	0	0	0	0	Personal contact information on special authority filings not publicly posted
31	479 Lenczewski Metropolitan Fiscal Disparities Study 3638 Loon	0	0	0	0	DOR to study development patterns, economic growth, service delivery and tax effort, distribution of regional costs & benefits, tax burden. Report to legislature due Feb 1, 2012.
32	Appropriation for study - Special Revenue	0	0	0	100	
33	Transfer from Met Council Fiscal Disparities to DOR Special Revenue account	0	0	0	(100)	Funding to come from supplemental fiscal disparities levy

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34 35	2367 Marquart Market Value exclusion extension for Flood-Damaged Cities	0	0	0	0	Modifies Session laws 2009, Chpt 88, Art 2, sec 49. Extends construction commencement date to December 31, 2011, with an effective date through Pay 2014.
36	3804 Marquart Levy limit base adjustment floor zero	0	0	0	0	Levy limit base defined as 0 to 3.9%
37	3808 Kulick-Jackson Minimum property tax threshold for installment payments	0	0	0	0	Reduces threshold from \$250 to \$100
38	3807 Marquart Extend prohibition on local option sales taxes two years	0	0	0	0	Modifies Session laws 2008, section 297A.99, subd 1(d), to be effective through May 31,2012.
39 40	<b>Local Option Taxes</b>					
41	3747 Olin Thief River Falls Airport levy authority modifications	0	0	unknown	unknown	Permits use of referendum market value, instead of net tax capacity
42	3241 Koenen Marshall Local Tax authorization	0	0	0	0	ONLY select local taxes: lodging tax up to 1.5% and a food & beverage tax up to 1.5% for up to 30 yrs to pay for Emergency Repsonse Training Center and SW Regional Amateur Sports Center.
43	3377 Rukavina Biwabik Local Tax authorization	0	0	0	0	ONLY select local taxes: lodging tax up to 5.0%, entertainment tax of up to 5.0% and a food & beverage tax up to 1.0% imposed in the Giants Ridge Recreation Area.
44	3765 Marquart Detroit Lakes - Local taxes for food, beverage and entertainment	0	0	0	0	0.5% local food & beverage tax, 0.5% entertainment tax.
45	3773 Liebling Rochester lodging, food and beverage taxes amended	0	0	0	0	Provides authority to issue bonds for Mayo Civic Center expansion and improvements, contingent on local voter approval.
46	<b>Expenditure Summary</b>					
47						
48	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>45</b>	<b>(45)</b>	
49	<b>Biennial</b>		<b>0</b>		<b>0</b>	
50						
51	<b>TARGETS</b>	0	0	0	0	
52	<b>Biennial</b>		<b>0</b>		<b>0</b>	
53	<b>Difference</b>		<b>0</b>		<b>0</b>	