Overview

This bill allows the commissioner of revenue to allow the five western border cities with development zones to exceed the statutory dollar limits on tax reductions for projects that involve $1 million of private capital investment and create 25 or more jobs that pay wages higher than the average wage in the county. The bill effectively directs the commissioner of finance and the legislature to ignore the cost of an exemption from the limits in preparing state budgets and revenue estimates.

Section

1 Additional funding for border city development zones. Provides an exemption from the limits on state funding for border city development zones. Border city development zones were enacted by the 1998 Legislature to permit five cities along the western border (Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville) to attract new businesses and revitalize their economies. The tax reductions that were permitted were subject to fixed dollar limitations for each of the five cities.

The city may exceed the maximum limits enacted in the 1998 session, only if the commissioner of revenue finds that three conditions are met by the business to which the tax reductions are provided:

- Makes a capital investment in the city of at least $1 million.
- Employs 25 new or additional employees in the city.
- Pays the employees more than the average wage in the county.

2 Cost estimates. Requires the commissioner of revenue to report exemptions granted to the tax reduction caps to the commissioner of finance and the legislative tax committees. The exemptions are to be ignored in preparing state budgets and revenue forecasts.

3 Effective date. Provides the changes are effective the day following final enactment.