

# Minnesota House Fiscal Analysis Department

## 2021 Session - Property Tax Division

HF 1735 Division Report, As Reported by Division - Changes to February 2021 Forecast

Dollars in Thousands

3/24/2021

4:00 PM

Note: Positive numbers are program expenditures/revenue losses and negative numbers are cost

Bill #	Author	Change Item Description	Effective date	HF 1735 As Reported by Division					
				FY 2022	FY 2023	FY 2022-23	FY 2024	FY 2025	FY 2024-25
GENERAL FUND SUMMARY									
Property Tax Aids, Credits and Refunds									
Feb 2021 Forecast				2,070,925	2,093,256	4,164,181	2,139,376	2,167,334	4,306,710
HF 1735-DE (A21-0106) Division Report - Total Proposed GF Changes				35	30,540	30,575	32,990	34,900	67,890
Property Tax Aids, Credits and Refunds - February 21 Forecast + Division Changes				2,070,960	2,123,796	4,194,756	2,172,366	2,202,234	4,374,600
PROPERTY TAX REFUNDS									
HF 1735 modified	Youakim	Property Tax Refund changes Homeowner PTR - Incrs max refund \$250 Renters PTR - reduce copays between 5 - 15%	Pay 2022  Rent pd 2021	0  0	13,900  15,700	13,900  15,700	15,800  16,000	17,500  16,200	33,300  32,200
HF 759	Petersburg	Relative ag homestead determination expanded  Property Tax Refund interaction Ag Homestead Market Value Credit Estate Tax	Pay 2022	0  0  0	unknown  unknown  unknown	0  0  0	unknown  unknown  unknown	unknown  unknown  unknown	unknown  unknown  unknown
HF 1095	Hertaus	Manufactured home and manufactured home park classification modified. PTR interaction	Pay 2023	0	0	0	250	250	500
HF 1812	Becker-Finn	Exempt tribal owned property, 36 parcels, Cass County  State General Levy (refund) Property Tax Refund interaction	DFE  Assmt 2021	20  0	0  10	20  10	0  10	0  10	0  20
HF 195	Dettmer	Homestead-related deadlines modified.  PTR interaction - Homestead by Dec 31 PTR interactions- Veteran MV Exclusion Subtotal Hmstd deadlines modified	Assmt 2021	0  0  0	70  (30)  40	70  (30)  40	negligible  (negligible)  negligible	negligible  (negligible)  negligible	negligible  (negligible)  negligible
HF 1157 modified	Howard	Modify 4d housing - freeze indexing for 2 yrs PTR interaction	Assmt 22-23	0	0	0	40	50	90
AIDS AND CREDITS									
	Sandstede	City of Floodwood, \$250,000 over 5 yrs (modified HF 584)	Pay 22-26	0	250	250	250	250	500
	Poston	City of Staples, \$320,000 over 5 yrs (modified HF 1751)	Pay 22-26	0	320	320	320	320	640
	Burkel	City of Warren, \$320,000 over 5 yrs (modified HF 1458)	Pay 22-26	0	320	320	320	320	640
OTHER AIDS AND ONE-TIME APPROPRIATIONS									
HF 1298	Her	4d housing study due July 31, 2021	DFE	15	0	15	0	0	0
Total General Fund Changes, Property Tax Aids, Credits and Refunds				35	30,540	30,575	32,990	34,900	67,890

39	<b>Property tax changes - Miscellaneous (no state fund impact)</b>								
40	HF 496	Marquart Citizens' property tax advisory committee and MN Property Taxpayer's Day established	Pay 2022	0	0	0	0	0	0
41	HF 500	Marquart Public Finance bill	various	0	0	0	0	0	0
42	HF 978	Becker-Finn Fire protection special taxing district creation authorized w levy + bonding authority	DFE +1	0	0	0	0	0	0
43	HF 1311	Youakim Energy improvement project special assessments	Pay 2022	0	0	0	0	0	0
44	HF 1066	Davnie Tourism improvement special taxing districts	DFE	0	0	0	0	0	0

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					FY 2022	FY 2023	FY 2022-23	FY 2024	FY 2025	FY 2024-25
45	Property tax changes for Tax Increment Financing (TIF)									
46	HF 1736	Fischer	TIF general rules to allow flexibility on increment use, tranfs to affdbl hsg, extend 5y rule for certain redevlpmt districts	Local appvl + file	0	0	0	0	0	
47	HF 1587	Torkelson	TIF Redvlpmt dstcts statewide, extnd 5y rule to 10y, 6y rule to 11y	Local appvl + file	0	0	0	0	0	
48	HF 618	Berg	Burnsville Redev TIF- modify spec rules, use incrmnt for hghwy / tunnel connector	Local appvl + file	0	0	0	0	0	
49	HF 1090	Youakim	TIF - St Louis Park Increment from any dstrect transfr to Affdbl HTF	Local appvl + file	0	0	0	0	0	
50	HF 1322	Acomb	TIF Minnetonka Up to 15% increment redev for affdbl housing	Local appvl + file	0	0	0	0	0	
51	HF 1507	Hamilton	TIF Windom Extend 5yr & 6 yr rules add'l 5 yr	Local appvl + file	0	0	0	0	0	
52	HF 1508	Hamilton	TIF Mountain Lake - Extend 5yr & 6 yr rules add'l 5 yr	Local appvl + file	0	0	0	0	0	
53	HF 1666	Howard	TIF Richfield Up to 15% increment for dstrect affdbl housing	Local appvl + file	0	0	0	0	0	
54	HF 1787	Bernardy	TIF Fridley, expand pooling for housing proj	Local appvl + file	0	0	0	0	0	
55	HF 1903	Hertaus	TIF Wayzata- Expand pooling for lakefront walkway	Local appvl + file	0	0	0	0	0	
56	HF 1970	Howard	TIF Bloomington estab redev dstrect, incrmnt for utility infrastrct	Local appvl + file	0	0	0	0	0	
57	Local Lodging / Food & Beverage Taxes (no state fund impact)									
58	HF 551	Klevorn	Plymouth local lodging, extend 3%/10 yrs for Public Rec Facil, mkta	DFE	0	0	0	0	0	
59	HF 736	O'Driscoll	Sartell food & beverage modify 1.5% for gen electn, elim 5yr expirtn	Local appvl + file	0	0	0	0	0	
60	Local Option Sales Taxes (no state fund impact)									
61	HF 187	Lillie	Oakdale LOST - 0.5% for 25 yr, up to \$37 M for pub wks, police bldg	Local appvl + file	0	0	0	0	0	
62	HF 280	Urdahl	Litchfield LOST 0.5% for 20 yr, up to \$10 M for Com Rec Cntr	Local appvl + file	0	0	0	0	0	
63	HF 355	Sundin	Cloquet LOST- 0.5% for 10 yr, up to \$8M for Ice Arena, Reg Park	Local appvl + file	0	0	0	0	0	
64	HF494	Akland	St Peter LOST 0.5% for 40 yr, up to \$9.1 M for new fire station	Local appvl + file	0	0	0	0	0	
65	HF 514	Igo	Itasca County LOST 1.0% for 30 yrs, up to \$75M for Correctns/Court	Local appvl + file	0	0	0	0	0	
66	HF 693	Igo	Grand rapits LOST 1.0% for 7 yrs, up to \$5.9M for IRA Civic Cntr	Local appvl + file	0	0	0	0	0	
67	HF 1179	Edelson	Edina LOST 0.5% for 19 yr, up to \$39 M for 2 parks	Local appvl + file	0	0	0	0	0	
68	HF 1239	Kresha	Little Falls LOST 0.5% for 30 yr, up to \$17 M for Com Rec Facility	Local appvl + file	0	0	0	0	0	
69	HF1300	Theis	Waite Park LOST 0.5% for 19 yrs, up to \$27.5M Pub Safety, reg trail	Local appvl + file	0	0	0	0	0	
70	HF 1301	Murphy	Hermantown LOST Add'l 0.5% for 16 yr, up to \$12.4 M for Arena, trail	Local appvl + file	0	0	0	0	0	
71	HF 1304	Rasmusson	Fergus Falls LOST 0.5% extnd 13 yr, up to \$13M for Aquatic Cntr+	Local appvl + file	0	0	0	0	0	
72	HF 1321	Erickson	Mille Lacs County LOST .05% for 8 yrs, up to \$10M for Public Wks	Local appvl + file	0	0	0	0	0	
73	HF 1345	Bahner	Maple Grove LOST 0.5% for 20 yr, up to \$90M for Community Cntr	Local appvl + file	0	0	0	0	0	
74	HF 1485	Sundin	Carlton County LOST 0.5% for 20 yr, up to \$40M LawEnfcm/Jail	Local appvl + file	0	0	0	0	0	
75	HF 1610	Poston	Wadena LOST 0.25% for 20 yr, up to \$3M for Library Rehab	Local appvl + file	0	0	0	0	0	
76	HF 1614	Keeler	Moorhead LOST 0.5% for 22 yr, up to \$29 M for Reg Lib/Com Cntr	Local appvl + file	0	0	0	0	0	
77	HF 1709	Wolgamott	St. Cloud LOST Add'l 0.5%/ 5 yr, up to \$21M Athtc Complx	Local appvl + file	0	0	0	0	0	

# Minnesota House Fiscal Analysis Department

## 2021 Legislature

### Tax Refunds, Aids & Credits - February 2021 Forecast with HF 1735 Division Report

All Numbers in Thousands

**Note:** Positive numbers are program expenditures; negative numbers are cost savings.

		HF 1735 Division Report			HF 1735 Division Report		
		FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
<b>General Fund Expenditures</b>							
<b><u>REFUNDS</u></b>		\$870,910	\$916,950	<b>\$1,787,860</b>	\$944,340	\$965,110	<b>\$1,909,450</b>
1	Homestead Credit property tax refund - base	\$600,100	\$611,800	<b>\$1,211,900</b>	\$635,000	\$651,200	<b>\$1,286,200</b>
2	Homeowner PTR - Incrs max refund \$250	0	13,900	<b>13,900</b>	15,800	17,500	<b>33,300</b>
3	Relative ag homestead determ'in expnd PTR intrct	0	unknown	<b>unknown</b>	unknown	unknown	<b>unknown</b>
4	Manufactured home park class mod'fy PTR intrct	0	0	<b>0</b>	250	250	<b>500</b>
5	Exempt tribal owned property PTR intrct, SGL refund	20	10	<b>30</b>	10	10	<b>20</b>
6	Homestead-related deadlines mod'fy Extnd to Dec 31	0	70	<b>70</b>	negligible	negligible	<b>negligible</b>
7	Homestead-related deadlines mod'fy Vet MVE	0	(30)	<b>(30)</b>	(negligible)	(negligible)	<b>(negligible)</b>
8	Modify 4d housing - freeze indexing 2 yrs PTR intrct	0	0	<b>0</b>	40	50	<b>90</b>
9							
10	Renters property tax refund	239,200	240,600	<b>479,800</b>	242,200	243,700	<b>485,900</b>
11	Renters PTR - reduce copays between 5 - 15%	0	15,700	<b>15,700</b>	16,000	16,200	<b>32,200</b>
12							
13	Targeting	1,600	5,000	<b>6,600</b>	5,000	5,000	<b>10,000</b>
14	Forest Land Credits (SFIA)	12,790	13,300	<b>26,090</b>	13,840	14,400	<b>28,240</b>
15	<b>Subtotal - Property Tax Refunds</b>	<b>853,710</b>	<b>900,350</b>	<b>1,754,060</b>	<b>928,140</b>	<b>948,310</b>	<b>1,876,450</b>
16							
17	Political Contribution Refund	3,000	3,500	<b>6,500</b>	3,000	3,500	<b>6,500</b>
18	Tax Refund Interest	14,200	13,100	<b>27,300</b>	13,200	13,300	<b>26,500</b>
19							
20	<b><u>LOCAL AIDS</u></b>	<b>918,860</b>	<b>919,787</b>	<b>1,838,647</b>	<b>922,458</b>	<b>922,684</b>	<b>1,845,142</b>
21	Local Government Aid (LGA)	564,398	564,398	<b>1,128,796</b>	564,398	564,398	<b>1,128,796</b>
22	<b>Subtotal- Local Government Aid (LGA)</b>	<b>564,398</b>	<b>564,398</b>	<b>1,128,796</b>	<b>564,398</b>	<b>564,398</b>	<b>1,128,796</b>
23							
24	County Program Aid	263,971	264,012	<b>527,983</b>	263,954	263,954	<b>527,908</b>
25	Public Defender Cost	500	500	<b>1,000</b>	500	500	<b>1,000</b>
26	Local Impact Notes (MMB/MDE)	214	214	<b>428</b>	214	214	<b>428</b>
27	<b>Subtotal- County Program Aid (CPA)</b>	<b>264,685</b>	<b>264,726</b>	<b>529,411</b>	<b>264,668</b>	<b>264,668</b>	<b>529,336</b>
28							
29	Township Aid	10,000	10,000	<b>20,000</b>	10,000	10,000	<b>20,000</b>
30							
31	Payment in Lieu of Taxes (PILT) for DNR Owned Lands	36,315	36,540	<b>72,855</b>	39,267	39,492	<b>78,759</b>
32	Aquatic Invasive Species Prevention Aid	10,000	10,000	<b>20,000</b>	10,000	10,000	<b>20,000</b>
33	Riparian Protection Aid to BWSR	745	745	<b>\$1,490</b>	745	745	<b>\$1,490</b>
34	Riparian Protection Aid to Counties	<u>7,255</u>	<u>7,255</u>	<b>14,510</b>	<u>7,255</u>	<u>7,255</u>	<b>14,510</b>
35	<b>Subtotal- Riparian Protection Aid</b>	<b>8,000</b>	<b>8,000</b>	<b>\$16,000</b>	<b>8,000</b>	<b>8,000</b>	<b>\$16,000</b>
36	Indian Family Out-of-Home Placement Aid	4,337	5,000	<b>\$9,337</b>	5,000	5,000	<b>\$10,000</b>
37	Casino Aid to Counties	1,614	1,614	<b>3,228</b>	1,614	1,614	<b>3,228</b>
38							
39	Production Property Transition Aid	0	0	<b>0</b>	0	0	<b>0</b>
40	Utility Transition Aid (cities and towns)	11	9	<b>20</b>	11	12	<b>23</b>
41	DRA School	8,086	8,086	<b>16,172</b>	8,086	8,086	<b>16,172</b>
42	DRA Non-School	<u>10,214</u>	<u>10,214</u>	<b>20,428</b>	<u>10,214</u>	<u>10,214</u>	<b>20,428</b>
43	<b>Disparity Reduction Aid (DRA)</b>	<b>18,300</b>	<b>18,300</b>	<b>36,600</b>	<b>18,300</b>	<b>18,300</b>	<b>36,600</b>

# Minnesota House Fiscal Analysis Department

## 2021 Legislature

### Tax Refunds, Aids & Credits - February 2021 Forecast with HF 1735 Division Report

All Numbers in Thousands

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		HF 1735 Division Report			HF 1735 Division Report		
		FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
44	Mahnomen City Reimbursement Aid	160	160	320	160	160	320
45	Mahnomen County Aid	900	900	1,800	900	900	1,800
46	Mahnomen ISD #432 Aid	140	140	280	140	140	280
47	<b>Mahnomen Reimbursement Aid</b>	1,200	1,200	2,400	1,200	1,200	2,400
48							
49	<b><u>PROPERTY TAX CREDITS</u></b>	111,889	119,388	231,277	132,299	135,228	267,527
50	Agr MVC School	8,127	8,096	16,223	8,096	8,096	16,192
51	Agr MVC Non-School	27,393	27,393	54,786	27,393	27,393	54,786
52	Relative ag homestead determination expnd	0	unknown	unknown	unknown	unknown	unknown
53	Relative ag homestead determination expnd - Estate Tax	0	unknown	unknown	unknown	unknown	unknown
54	<b>Agricultural Market Value Credit</b>	35,520	35,489	71,009	35,489	35,489	70,978
55							
56	School Building Bond Agricultural Credit	61,932	68,836	\$130,768	81,143	83,600	\$164,743
57							
58	Agriculture Preservation Credit -School (w/o State Con Fnd)	23	20	43	20	20	40
59	Agriculture Preservtn Credit -NonSchool (w/o State Con Fnd)	60	60	120	60	60	120
60							
61	Border City Disparity -School	3,112	3,281	6,393	3,416	3,524	6,940
62	Border City Disparity -Non-School	11,161	11,702	22,863	12,171	12,535	24,706
63	<b>Border City Disparity Credit</b>	14,273	14,983	29,256	15,587	16,059	31,646
64							
65	Prior Year Credit -School	81	0	81	0	0	-
66	Prior Year Credit- Non-School	0	0	0	0	0	0
67	<b>Prior Year Credits</b>	81	-	81	-	-	-
68							
69	<b><u>TACONITE TAX RELIEF AREA AIDS &amp; CREDITS</u></b>	13,688	13,643	27,331	14,004	14,424	28,428
70	State Taconite Aid to IRRR (Non-School)	3,566	3,546	7,112	3,819	4,133	7,952
71	State Taconite Aid Local Distribution	4,113	4,034	8,147	4,067	4,117	8,184
72	<b>Subtotal State Taconite Aid</b>	7,679	7,580	15,259	7,886	8,250	16,136
73	Taconite Reimbursement (School)	561	561	1,122	561	561	1,122
74	Supplemental Taconite Homestead Credit (Non-School)	5,448	5,502	10,950	5,557	5,613	11,170
75							
76							
77	<b><u>LOCAL PENSION AIDS</u></b>	147,265	152,355	299,620	157,645	163,165	320,810
78							
79	Police Aid (includes only local; DNR & DPS aid in State Gov)	88,100	92,070	180,170	96,210	100,540	196,750
80	Fire Aid	33,480	34,460	67,940	35,460	36,500	71,960
81	Fire Insurance Surcharge Aid	4,750	4,890	9,640	5,040	5,190	10,230
82	Police & Fire Retirement Aid Supplement	15,500	15,500	31,000	15,500	15,500	31,000
83							
84	Police/Fire Amorization Aid (Open)	2,729	2,729	5,458	2,729	2,729	5,458
85	Redirected Amortization Aid - St Paul + TRFA	2,094	2,094	4,188	2,094	2,094	4,188
86	Firefighters Supplemental Benefits Reimbursements	612	612	1,224	612	612	1,224
87							
88	Public Employees Retirement Assoc. (PERA) Aid	0	0	0	0	0	0
89							

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		FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
90							
91	<b><u>OTHER AIDS &amp; ONE-TIME APPROPRIATIONS</u></b>	8,348	1,673	<b>10,021</b>	1,620	1,623	<b>3,243</b>
92	Disaster Credit -School	525	86	<b>611</b>	31	31	<b>62</b>
93	Disaster Credit- Non-School	<u>1,750</u>	<u>92</u>	<u><b>1,842</b></u>	<u>92</u>	<u>92</u>	<u><b>184</b></u>
94	<b>Disaster Credit</b>	2,275	178	<b>2,453</b>	123	123	<b>246</b>
95							
96							
97	Local Option Disaster Abatement reimb (school)	81	25	<b>106</b>	25	25	<b>50</b>
98	Local Option Disaster Abatement reimb (non school)	<u>74</u>	<u>74</u>	<u><b>148</b></u>	<u>74</u>	<u>74</u>	<u><b>148</b></u>
99	<b>Local Option Disaster Abatement Reimbursement</b>	155	99	<b>254</b>	99	99	<b>198</b>
100							
101	Border City Reimbursement	42	42	<b>84</b>	42	42	<b>84</b>
102	Performance Measuremt Reimbursement	461	464	<b>925</b>	466	469	<b>935</b>
103	City of Minneapolis Library debt service	0	0	-	0	0	-
104	Bloomington Infrastructure Projects	0	0	-	0	0	-
105	Wadena County Aid (2 years only)	-	-	<b>0</b>	-	-	<b>\$0</b>
106	Local Government grants	5,400	0	<b>5,400</b>	0	0	-
107	2020 Legislature Ch 71 - Tribal Nations Grants	0	0	-	0	0	-
108	2020 Legislature, SS7, CH 2 - Small Business Assistance to Bars, Restaurants, Breweries, Fitness Centers, etc.	0	0	-	0	0	-
109	<i>City of Floodwood, \$250K/5 yrs (modf'd HF 584)</i>	0	250	<b>250</b>	250	250	<b>500</b>
110	<i>City of Staples, \$320K/5 yrs (modf'd HF 1751)</i>	0	320	<b>320</b>	320	320	<b>640</b>
111	<i>City of Warren, \$320K/ 5 yrs (modf'd HF 1458)</i>	0	320	<b>320</b>	320	320	<b>640</b>
112	<i>4d housing study due July 31, 2021</i>	15	0	<b>15</b>	0	0	<b>0</b>
113							
114	<b>Property Tax Aids and Credits, GF TOTAL</b>	<b>\$2,070,960</b>	<b>\$2,123,796</b>	<b>\$4,194,756</b>	<b>\$2,172,366</b>	<b>\$2,202,234</b>	<b>\$4,374,600</b>