

Minnesota House Fiscal Analysis Department

2019 Session - Property Tax and Local Government Division
HF 2348 Division Report - As Presented to Division
 Dollars in Thousands

3/27/19
3:00 PM

Note: Positive numbers are program expenditures/revenue losses and negative numbers are cost savings/revenue gains. "Negligible" means an impact of less than \$5,000.

HF	Author	Change Item Description	HF 2348 2019 Division Report						
			FY 2019	FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
GENERAL FUND SUMMARY									
1		Property Tax Aids, Credits and Refunds - General Fund Feb 2019 Forecast	1,934,121	1,816,676	1,922,220	3,738,896	1,955,697	1,988,397	3,944,094
2		Property Tax Aids, Credits and Refunds - Total Proposed GF Changes	<u>773</u>	<u>5</u>	<u>146,591</u>	<u>147,369</u>	<u>159,441</u>	<u>167,866</u>	<u>327,307</u>
3		Property Tax Aids, Credits and Refunds - Total Base + Proposed GF Chgs	1,934,894	1,816,681	2,068,811	3,885,492	2,115,138	2,156,263	4,271,401
PROPERTY TAX REFUNDS									
Property Tax Refund changes (with refund / income tax interactions)									
7	HF 458 Bernardy	Property Tax Refund for Manufactured Home Cooperatives		0	220	220	220	220	440
10	HF 2348 Loeffler	Homestead Credit State Refund maximum refund increased by \$200 for all current income ranges, expand income eligibility to \$155,400 (Eff Pay 2020)		0	22,500	22,500	25,600	28,100	53,700
12	HF 2349 Loeffler	Renter Property Tax Refund - expand eligible hhd income ranges up to \$75,000, reduce copay percentages 2.5-5% (Rent paid 2019)							
13		General Fund	0	0	21,600	21,600	22,900	23,600	46,500
15	HF 2286 Loeffler	Certificates of rent paid automated system established, reporting of rent data required, data classification req'd, money appropriated. Various effective dates							
16		Revenenue impact		0	0	0	0	0	0
17		DOR administrative cost		0	n/a	n/a	n/a	n/a	n/a
18		General Fund	0	0	0	0	0	0	0
20	HF 552 Schultz	Elderly living facility exempted from property taxation		0	negligible	negligible	negligible	negligible	negligible
21	HF 2620 Drazkowski	Charitable farmland property tax exemption		0	negligible	negligible	negligible	negligible	negligible
23	HF 398 Poppe	Agricultural homestead rules modified for properties owned by trusts							
24		Property tax refund interaction		0	negligible	negligible	negligible	negligible	negligible
25		Ag Homestead Market Value Credit		0	negligible	negligible	negligible	negligible	negligible
26	HF 121 Hertaus	Agricultural classification of land converted from agricultural use for environmental purposes							
27		Property tax refund interaction		0	negligible	negligible	negligible	negligible	negligible
28		Ag Homestead Market Value Credit		0	negligible	negligible	negligible	negligible	negligible
Property tax changes									
32	HF 567 Loeffler	2018 Omnibus Tax bill - Noncontroversial "low-cost" provisions							
33		Ag Historical Society property exemption (20 to 40 acres)		0	negligible	negligible	negligible	negligible	negligible
34		Exemption for Pharmacy owned by Indian tribe		0	negligible	negligible	negligible	negligible	negligible
35	HF 2646 Xiong	Exclusion for Veterans w Disability- application due date Dec 15		0	(600)	(600)	(negligible)	(negligible)	(negligible)
36	HF 1259 Sandstede	Disabled Veteran special refund			negligible	negligible	0	0	0
37		Senior Deferral - app date from July 1 to Nov 1		0	60	60	(negligible)	(negligible)	(negligible)
38		Cloquet Area Fire & Ambulance Tax							
39		Property Tax Refund interaction		0	0	0	10	20	30
40		Income Tax Interaction		0	0	0	negligible	10	10
41	Anderson, P	Melrose Fire Remediation grant	644	0	0	0	0	0	0
42	Drazkowski	Mazzeppa Fire Remediation grant		5	0	5	0	0	0
43	Hertaus	Fractional homestead based on percentage of ownership							
		Property tax refund interaction		0	0	0	(unknown)	(unknown)	(unknown)
		Ag Homestead Market Value Credit		0	0	0	(unknown)	(unknown)	(unknown)
43		Subtotal - General Fund	644	5	(540)	(535)	10	30	40

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			FY 2019	FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23	
45	HF 632 Loeffler	2018 Omnibus Tax bill - Noncontroversial "no-cost" provisions								
46		Article 1 - Property Taxes								
47	Ecklund	Historical Society expenditures for cities/towns		0	0	0	0	0	0	0
48	Dettmer	Exclusion for Veterans w Disability - data sharing		0	0	0	0	0	0	0
49	Anderson, P	Tax Forfeited land Sale Requirements modified		0	0	0	0	0	0	0
50	Lien	Border City Enterprise Zone Clarification of restrictions		0	0	0	0	0	0	0
51	Dettmer	Ag Preserves Termination for parks or trails		0	0	0	0	0	0	0
52	Kiel	Housing Redevelopment levy authority extended 5 yr		0	0	0	0	0	0	0
53		SFIA trail clarification		0	0	0	0	0	0	0
54		Article 2 - Department of Revenue								
55		Department of Revenue policy provisions		0	0	0	0	0	0	0
56		DOR increase deed tax threshold to \$3,000		negligible	5	5	5	10	15	15
57		Article 3 - Department of Revenue								
58		Department of Revenue technical provisions		0	0	0	0	0	0	0
59		General Fund	0	0	5	5	5	10	15	15
60										
61		AIDS AND CREDITS								
62		Local Aid changes								
63	HF 1163 Marquart	LGA appropriation to cities increased								
64	HF 1434 Vang	LGA appropriation increase		0	30,593	30,593	30,593	30,593	61,186	61,186
65		PTR interactions - LGA		0	(740)	(740)	(740)	(740)	(1,480)	(1,480)
66		Income Tax interactions - LGA		0	(580)	(580)	(580)	(580)	(1,160)	(1,160)
67		General Fund		0	29,273	29,273	29,273	29,273	58,546	58,546
68										
69	HF 461 Hansen	West St. Paul LGA incrs (\$920K for 5 y w/in LGA approp)		0	0	0	0	0	0	0
70	HF 904 Kresha	Flensburg LGA forgiveness (\$38.4K FY 2020 w/in approp)		0	0	0	0	0	0	0
71	HF 949 Hansen	Lilydale one-time LGA adjustment (\$275K FY 2020 w/in LGA appropriation)		0	0	0	0	0	0	0
72	HF969 Murphy, M	Hermantown LGA adjustment - (\$200K, 5yr w/in approp)		0	0	0	0	0	0	0
73	HF 1458 Sandstede	Hibbing LGA sparcity factor modif'd (-\$12K w/in approp)		0	0	0	0	0	0	0
74	HF 1599 Sandstede	Floodwood LGA adjustment (\$20K/yr, 5 yrs w/in approp)		0	0	0	0	0	0	0
75										
76	HF 416 Poppe	Austin Fire Aid forgiveness (\$129K in FY 2019)	129	0	0	0	0	0	0	0
77										
78	HF 1163 Marquart	CPA appropriation to counties increased								
79		CPA appropriation increase		0	30,593	30,593	30,593	30,593	61,186	61,186
80		PTR interactions - CPA		0	(740)	(740)	(740)	(740)	(1,480)	(1,480)
81		Income Tax interactions - CPA		0	(580)	(580)	(580)	(580)	(1,160)	(1,160)
82		General Fund		0	29,273	29,273	29,273	29,273	58,546	58,546
83										
84	HF 1213 Marquart	CPA one-time grant Mahnommen County - \$750K in CY 2020, w/in CPA		0	0	0	0	0	0	0
85										
86	HF 1391 Marquart	School Building Bond Ag Credit modified @ 70% (Pay 2020)								
87		SBB appropriation		0	30,500	30,500	37,830	42,410	80,240	80,240
88		PTR interactions - SBB		0	410	410	850	1,320	2,170	2,170
89		Income Tax interactions - SBB		0	(860)	(860)	(670)	(470)	(1,140)	(1,140)
90		General Fund		0	30,050	30,050	38,010	43,260	81,270	81,270
91										
92	HF 2387 Murphy, M	PERA Aid to local governments - sunset extended								
93		PERA appropriation		0	13,800	13,800	13,740	13,690	27,430	27,430
94		PTR interactions - PERA		0	(330)	(330)	(330)	(330)	(660)	(660)
95		Income Tax interactions - PERA		0	(260)	(260)	(260)	(260)	(520)	(520)
96		General Fund		0	13,210	13,210	13,150	13,100	26,250	26,250
97										
98	HF 1104 Lien	Border City allocation - modified		0	1,000	1,000	1,000	1,000	2,000	2,000
99										
100		Total General Fund Changes, Property Tax Aids, Credits and Refunds	773	5	146,591	147,369	159,441	167,866	327,307	327,307

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Non-General Revenue Fund changes								
Taconite Municipal Aid account								
HF 324	Lislegard	Taconite Municipal Aid distribution (100% max guarantee), allocation indexed	0	424	424	422	474	896
		Distribution to Municipalities	0	(424)	(424)	(422)	(474)	(896)
Douglas Johnson Economic Protection Fund								
HF 324	Lislegard	Taconite Municipal Aid distribution (100% max guarantee), allocation indexed	0	(192)	(192)	(170)	(175)	(345)
Taconite Environmental Protection Fund								
HF 324	Lislegard	Taconite Municipal Aid distribution (100% max guarantee), allocation indexed	0	(232)	(232)	(252)	(299)	(551)

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			FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
Property tax changes - no state fund impact								
113								
114	HF 2169 Marquart	DOR Policy/Technical bill - PRISM	0	0	0	0	0	0
115								
Property tax changes -Local Option Sales/Lodging/Food & Beverage Taxes (no state fund impact)								
116								
117								
118	HF 144 Ecklund	International Falls; new 1.0% local sales/use tax - modif'd 5 y	0	0	0	0	0	0
119	HF 183 Schultz	Duluth; additional 0.5% local sales/use tax (modified 5 y)	0	0	0	0	0	0
120	HF 355 Demuth	Avon; new 0.5% local sales/use tax (modified 5 y)	0	0	0	0	0	0
121	HF 364 Sundin	Cloquet; local sales and use tax authority 2011 modified	0	0	0	0	0	0
122	HF 388 Nornes	Perham; new 0.5% local sales/use tax (modified)	0	0	0	0	0	0
123	HF 392 Anderson	Sauk Center; new 0.5% local sale/use tax and \$20 motor vehicle excise tax (modified 5 y)	0	0	0	0	0	0
124	HF 574 Loeffler	Minneapolis local special taxes limitation removed, 3% cap on lodging remains. Effect 6.30.19	0	0	0	0	0	0
125	HF 667 Lislegard	Virginia; Up to 1% local sales use tax	0	0	0	0	0	0
126	HF 867 Zerwas	Elk River; new 0.5% local sales/use tax (modif'd w limit 18 yr)	0	0	0	0	0	0
127	HF 877 Klevorn	Plymouth; new local lodging tax to 3% (uses modified, 5 y or 12.31.2025)	0	0	0	0	0	0
128	HF 933 Davids	La Crescent; to impose additional 2% lodging tax	0	0	0	0	0	0
129	HF 1130 Morrison	Excelsior; new 0.5% local sales/use tax (modified plus add referendum)	0	0	0	0	0	0
130	HF 1217 Brand	North Mankato; new 1.0% local food/beverage tax	0	0	0	0	0	0
131	HF 1218 Lesch	St. Paul local lodging tax rate increased from 3% to 4%	0	0	0	0	0	0
132	HF 1271 Marquart	Detroit Lakes; new 0.5% local sales/use tax	0	0	0	0	0	0
133	HF 1318 Murphy	Lake County; up to 4% lodging tax countywide includ Two Harbors lodging tax (modified)	0	0	0	0	0	0
134	HF 1427 Baker	Willmar; new 0.5% local sale/use tax and \$20 motor vehicle excise tax (modified 3 proj, 5 y or \$7M)	0	0	0	0	0	0
135	HF 1436 Murphy	Two Harbors; add'l 0.5% local sales/use tax - modif'd 5 yr	0	0	0	0	0	0
136	HF 1456 Sundin	Scanlon; new 0.5% local sales/use tax - modif'd 5 yr	0	0	0	0	0	0
137	HF 1483 Nelson	Cambridge; new 0.5% local sales/use tax (modified for library only)	0	0	0	0	0	0
138	HF 1485 Hamilton	Worthington; new 0.5% local sales/use tax and \$20 motor vehicle excise tax (modif'd 10 yr, no plaza)	0	0	0	0	0	0
139	HF 1498 Anderson	Glenwood; new 0.5% local sales/use tax (modified for parks, trails only; term earlier of \$1 m or 8 y)	0	0	0	0	0	0
140	HF 1766 Gunther	Blue Earth; new 0.5% local sale/use tax (modified, 5 yr)	0	0	0	0	0	0
141	HF 2612 Loeffler	Local sales and use taxes imposition requirements mod'f'd	0	0	0	0	0	0
142								
Property tax changes for Tax Increment Financing (TIF)								
143								
144								
145	HF 164 Olson	Duluth TIF district authority /uses modified	0	0	0	0	0	0
146	HF 176 Stephenson	Champlin Mississippi Crossing TIF authority/uses modified	0	0	0	0	0	0
147	HF 220 Carlson,A	Bloomington Central Station TIP modified	0	0	0	0	0	0

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148	HF 655 Cantrell	Burnsville TIF district authority modified	0	0	0	0	0	0
149	HF671 Lee	Minneapolis special tax use modif'd (Upper Harbor Terminal TIF)	0	0	0	0	0	0
150	HF 1193 Elkins	Southeast Edina Redevelopment Project; special TIF authority modif'd.	0	0	0	0	0	0
151	HF1550 Becker-Finn	Roseville; extend time/use increment modif'd	0	0	0	0	0	0
152								
153	Public Finance							
154	HF 1468 Davids	State ag society outstndng debt allowance max incrs'd	0	0	0	0	0	0
155	HF 2650 Marquart	Public Finance bill (modified)	0	0	0	0	0	0
156								
157								
158	Other							
159		DOR admin - Annual Report on Rents Paid; Studies on State	0	0	0	0	0	0
160		Assessed Property, 4d Affordable Housing -TBD						