

Minnesota House Fiscal Analysis Department

2019 Session - Property Tax and Local Government Division

HF 2348 Division Report - As Reported by Division

Dollars in Thousands

4/1/19

11:00 AM

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 As Reported by Division						
			FY 2019	FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
GENERAL FUND SUMMARY									
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
Property Tax Aids, Credits and Refunds - Total Proposed GF Changes ¹			773	5	146,501	147,279	159,291	167,656	326,947
Property Tax Aids, Credits and Refunds - Total Base + Proposed GF Chgs			1,934,894	1,816,681	2,068,721	3,885,402	2,114,988	2,156,053	4,271,041
PROPERTY TAX REFUNDS									
Property Tax Refund changes (with refund / income tax interactions)									
HF 458	Bernardy	Property Tax Refund for Manufactured Home Cooperatives		0	220	220	220	220	440
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
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)							
		General Fund	0	0	21,600	21,600	22,900	23,600	46,500
HF 2286	Loeffler	Certificates of rent paid automated system established, reporting of rent data required, data classification req'd, money appropriated. Various effective dates							
		Revenenue impact		0	0	0	0	0	0
		DOR administrative cost		0	n/a	n/a	n/a	n/a	n/a
		General Fund	0	0	0	0	0	0	0
HF 552	Schultz	Elderly living facility exempted from property taxation		0	negligible	negligible	negligible	negligible	negligible
HF 2620	Drazkowski	Charitable farmland property tax exemption		0	negligible	negligible	negligible	negligible	negligible
HF 398	Poppe	Agricultural homestead rules modified for properties owned by trusts							
		Property tax refund interaction		0	negligible	negligible	negligible	negligible	negligible
		Ag Homestead Market Value Credit		0	negligible	negligible	negligible	negligible	negligible
HF 121	Hertaus	Agricultural classification of land converted from agricultural use for environmental purposes							
		Property tax refund interaction		0	negligible	negligible	negligible	negligible	negligible
		Ag Homestead Market Value Credit		0	negligible	negligible	negligible	negligible	negligible
Property tax changes									
HF 567	Loeffler	2018 Omnibus Tax bill - Noncontroversial "low-cost" provisions							
	Anderson, P	Ag Historical Society property exemption (20 to 40 acres)		0	negligible	negligible	negligible	negligible	negligible
		Exemption for Pharmacy owned by Indian tribe		0	negligible	negligible	negligible	negligible	negligible
HF 2646	Xiong	Exclusion for Veterans w Disability- application due date Dec 15		0	(600)	(600)	(negligible)	(negligible)	(negligible)
HF 1259	Sandstede	Disabled Veteran special refund			negligible	negligible	0	0	0
A19	Petersburg	Spouse of disabled veteran market value exclusion chg							
		PTR interaction - remove 8 yr limit on eligibility		0	(30)	(30)	(70)	(110)	(180)
		PTR interaction - one-time transfer of benefit		0	(60)	(60)	(80)	(100)	(180)
		Senior Deferral - app date from July 1 to Nov 1		0	60	60	(negligible)	(negligible)	(negligible)
A13	Petersburg	Senior Deferral - 90-day reconsideration after denial (DFE)		0	(negligible)	(negligible)	(negligible)	(negligible)	(negligible)
	Sundin	Cloquet Area Fire & Ambulance Tax District:							
		Property Tax Refund interaction		0	0	0	10	20	30
		Income Tax Interaction		0	0	0	negligible	10	10
	Anderson, P	Melrose Fire Remediation grant	644	0	0	0	0	0	0
	Drazkowski	Mazzeppa Fire Remediation grant		5	0	5	0	0	0
	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)
		Subtotal - General Fund	644	5	(630)	(625)	(140)	(180)	(320)

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			FY 2019	FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
HF 632	Loeffler	2018 Omnibus Tax bill - Noncontroversial "no-cost" provisions							
		Article 1 - Property Taxes							
	Ecklund	Historical Society expenditures for cities/towns		0	0	0	0	0	0
	Dettmer	Exclusion for Veterans w Disability - data sharing		0	0	0	0	0	0
	Anderson, P	Tax Forfeited land Sale Requirements modified		0	0	0	0	0	0
	Lien	Border City Enterprise Zone Clarification of restrictions		0	0	0	0	0	0
	Dettmer	Ag Preserves Termination for parks or trails		0	0	0	0	0	0
	Kiel	Housing Redevelopment levy authority extended 5 yr		0	0	0	0	0	0
		SFIA trail clarification		0	0	0	0	0	0
		Article 2 - Department of Revenue							
		Department of Revenue policy provisions		0	0	0	0	0	0
		DOR increase deed tax threshold to \$3,000		negligible	5	5	5	10	15
		Article 3 - Department of Revenue							
		Department of Revenue technical provisions		0	0	0	0	0	0
		General Fund	0	0	5	5	5	10	15
AIDS AND CREDITS									
Local Aid changes									
HF 1163	Marquart	LGA appropriation to cities increased							
HF 1434	Vang	LGA appropriation increase		0	30,593	30,593	30,593	30,593	61,186
		PTR interactions - LGA		0	(740)	(740)	(740)	(740)	(1,480)
		Income Tax interactions - LGA		0	(580)	(580)	(580)	(580)	(1,160)
		General Fund		0	29,273	29,273	29,273	29,273	58,546
HF 461	Hansen	West St. Paul LGA incrs (\$920K for 5 y w/in LGA approp)		0	0	0	0	0	0
HF 904	Kresha	Flensburg LGA forgiveness (\$38.4K FY 2020 w/in approp)		0	0	0	0	0	0
HF 949	Hansen	Lilydale one-time LGA adjustment (\$275K FY 2020 w/in LGA appropriation)		0	0	0	0	0	0
HF969	Murphy, M	Hermantown LGA adjustment - (\$200K, 5yr w/in approp)		0	0	0	0	0	0
HF 1458	Sandstede	Hibbing LGA sparcity factor modif'd -(\$12K w/in approp)		0	0	0	0	0	0
HF 1599	Sandstede	Floodwood LGA adjustment (\$20K/yr, 5 yrs w/in approp)		0	0	0	0	0	0
HF 1456	Sundin	Scanlon LGA adjustment (\$40K/yr, 10 yrs w/in approp)		0	0	0	0	0	0
HF 416	Poppe	Austin Fire Aid forgiveness (\$129K in FY 2019)	129	0	0	0	0	0	0
HF 1163	Marquart	CPA appropriation to counties increased							
		CPA appropriation increase		0	30,593	30,593	30,593	30,593	61,186
		PTR interactions - CPA		0	(740)	(740)	(740)	(740)	(1,480)
		Income Tax interactions - CPA		0	(580)	(580)	(580)	(580)	(1,160)
		General Fund		0	29,273	29,273	29,273	29,273	58,546
HF 1213	Marquart	CPA one-time grant Mahnomen County - \$750K in CY 2020, w/in CPA		0	0	0	0	0	0
HF 1391	Marquart	School Building Bond Ag Credit modified @ 70% (Pay 2020)							
		SBB appropriation		0	30,500	30,500	37,830	42,410	80,240
		PTR interactions - SBB		0	410	410	850	1,320	2,170
		Income Tax interactions - SBB		0	(860)	(860)	(670)	(470)	(1,140)
		General Fund		0	30,050	30,050	38,010	43,260	81,270
HF 2387	Murphy, M	PERA Aid to local governments - sunset extended							
		PERA appropriation		0	13,800	13,800	13,740	13,690	27,430
		PTR interactions - PERA		0	(330)	(330)	(330)	(330)	(660)
		Income Tax interactions - PERA		0	(260)	(260)	(260)	(260)	(520)
		General Fund		0	13,210	13,210	13,150	13,100	26,250
HF 1104	Lien	Border City allocation - modified		0	1,000	1,000	1,000	1,000	2,000
Total General Fund Changes, Property Tax Aids, Credits and Refunds ¹			773	5	146,501	147,279	159,291	167,656	326,947
¹ FY 2019 total included in the FY 2020-21 biennial total for tracking purposes									

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			FY 2019	FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
109		Non-General Revenue Fund changes							
110		Taconite Municipal Aid account							
111	HF 324	Lislegard Taconite Municipal Aid distribution (100% max guarantee), allocation indexed		0	424	424	422	474	896
112		Distribution to Municipalities		0	(424)	(424)	(422)	(474)	(896)
114		Douglas Johnson Economic Protection Fund							
115	HF 324	Lislegard Taconite Municipal Aid distribution (100% max guarantee), allocation indexed		0	(192)	(192)	(170)	(175)	(345)
117		Taconite Environmental Protection Fund							
118	HF 324	Lislegard Taconite Municipal Aid distribution (100% max guarantee), allocation indexed		0	(232)	(232)	(252)	(299)	(551)
119									

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			FY 2020	FY 2021	FY 2020-21	FY 2022	FY 2023	FY 2022-23
120	Property tax changes - no state fund impact							
121	HF 2169 Marquart	DOR Policy/Technical bill - PRISM	0	0	0	0	0	0
122								
123	Property tax changes -Local Option Sales/Lodging/Food & Beverage Taxes (no state fund impact)							
124								
125	HF 144 Ecklund	International Falls; new 1.0% local sales/use tax - Up to \$30 million in uses over 30 y	0	0	0	0	0	0
126	HF 183 Schultz	Duluth; additional 0.5% local sales/use tax - Up to \$40 million in uses over 25 y	0	0	0	0	0	0
127	HF 355 Demuth	Avon; new 0.5% local sales/use tax - Up to \$1.5 million over 25 y	0	0	0	0	0	0
128	HF 364 Sundin	Cloquet; local sales and use tax authority 2011 modified to reallocate \$5.8 million for other existing uses	0	0	0	0	0	0
129	HF 388 Nornes	Perham; new 0.5% local sales/use tax - Up to \$5.2 million in uses over 20 y	0	0	0	0	0	0
130	HF 392 Anderson	Sauk Center; new 0.5% local sale/use tax and \$20 motor vehicle excise tax - Up to \$10 million in uses over 25 y	0	0	0	0	0	0
131	HF 574 Loeffler	Minneapolis local special taxes limitation removed, 3% cap on lodging remains. Effect 6.30.19	0	0	0	0	0	0
132	HF 667 Lislegard	Virginia; Up to 1% local sales use tax - Up to \$30 million in uses over 20 y	0	0	0	0	0	0
133	HF 867 Zerwas	Elk River; new 0.5% local sales/use tax - Up to \$35 million in uses over 25 y	0	0	0	0	0	0
134	HF 877 Klevorn	Plymouth; new local lodging tax to 3% (uses modified, 5 y or 12.31.2025)	0	0	0	0	0	0
135	HF 933 Davids	La Crescent; to impose additional 2% lodging tax	0	0	0	0	0	0
136	HF 1130 Morrison	Excelsior; new 0.5% local sales/use tax - Up to \$7 million in uses over 25 y, plus add referendum	0	0	0	0	0	0
137	HF 1217 Brand	North Mankato; new 1.0% local food/beverage tax	0	0	0	0	0	0
138	HF 1218 Lesch	St. Paul local lodging tax rate increased from 3% to 4%	0	0	0	0	0	0
139	HF 1271 Marquart	Detroit Lakes; new 0.5% local sales/use tax - Up to \$6.7 million in uses over 10 y	0	0	0	0	0	0
140	HF 1318 Murphy	Lake County; up to 4% lodging tax countywide includ Two Harbors lodging tax (modified)	0	0	0	0	0	0
141	HF 1427 Baker	Willmar; new 0.5% local sale/use tax and \$20 motor vehicle excise tax - Up to \$30 million in uses over 13 y	0	0	0	0	0	0
142	HF 1436 Murphy	Two Harbors; add'l 0.5% local sales/use tax - Up to \$30 million in uses over 25 y	0	0	0	0	0	0
143								
144	HF 1483 Nelson	Cambridge; new 0.5% local sales/use tax - Up to \$22 million in uses over 23 y	0	0	0	0	0	0
145	HF 1485 Hamilton	Worthington; new 0.5% local sales/use tax and \$20 motor vehicle excise tax - Up to \$25 million in uses over 15 y	0	0	0	0	0	0
146	HF 1498 Anderson	Glenwood; new 0.5% local sales/use tax - Up to \$2.8 million in uses over 20 y	0	0	0	0	0	0
147	HF 1766 Gunther	Blue Earth; new 0.5% local sale/use tax - Up to \$5 million in uses over 25 y	0	0	0	0	0	0
148	HF 2612 Loeffler	Local sales and use taxes imposition requirements mod'fd	0	0	0	0	0	0
149								
150	Property tax changes for Tax Increment Financing (TIF)							
151								
152	HF 164 Olson	Duluth TIF district authority /uses modified for downtown redev	0	0	0	0	0	0
153	HF 176 Stephenson	Champlin Mississippi Crossing TIF authority/uses modified	0	0	0	0	0	0
154	HF 220 Carlson,A	Bloomington Central Station TIP modified 15 y to 25 y	0	0	0	0	0	0

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155	HF 655 Cantrell	Burnsville TIF district authority (Burnsville Center Mall redev)	0	0	0	0	0	0
156	HF671 Lee	Minneapolis special tax use modif'd (Upper Harbor Terminal TIF)	0	0	0	0	0	0
157	HF 1193 Elkins	Southeast Edina Redevelopment Project; special TIF authority extended to 12.31.2021, chg pooling	0	0	0	0	0	0
158	HF1550 Becker-Finn	Roseville; extend time/use increment for environmental remediation	0	0	0	0	0	0
159	Public Finance							
160	HF 1468 Davids	State ag society outstnding debt allowance max incrs'd	0	0	0	0	0	0
161	HF 2650 Marquart	Public Finance bill (modified)	0	0	0	0	0	0
162	Other							
163		DOR admin - Annual Report on Rents Paid; Studies on State Assessed Property, 4d Affordable Housing -TBD	0	0	0	0	0	0
164								
165								
166								
167								