

House Property Tax Division
Revenue Impact Summary for Selected Property Tax bills -
Friday, March 18, 2022

Updated

3.17.2022
 530 PM

Note: This table reflects expenditure changes to the base budget reflected in the **February 2022 forecast**. Positive numbers are an expenditure increase, negative numbers are a reduction/cost savings.

Bill No.	Sponsor	Bill description	General Fund Expenditure Change (000's)							
			FY 2022	FY 2023	FY 22-23	FY 2024	FY 2025	FY 24-25		
Local Aids										
1	HF 3719	Reyer	Soil and Water Conservation District Aid Creates an aid for Soil & Water Conservation districts. - 70% of appropriation distributed evenly among districts and - 30% distributed based on a district's share of nonpublic lands 85 counties have at least one district (-0- in Hennepin/Ramsey); 3 counties have 2 districts (OtterTail, Polk, St.Louis) Effective aids payable 2022/FY 2023 per MS 477A.015 (70% * \$22,000,000) / 88 districts = \$175,000 per district 30% * \$22,000,000 = \$6.6 million nonpublic land apporntmt							
					15,400	15,400	15,400	15,400	15,400	30,800
					6,600	6,600	6,600	6,600	6,600	13,200
			General Fund	0	22,000	22,000	22,000	22,000	22,000	44,000
2	HF3586	Torkelson	City of Morton 2021 LGA penalty forgiveness Seeks to forgive and release \$79,476 withheld CY 2021 LGA & Small Cities Assistance payments due to non compliance in financial reporting to state auditor. Must file 2020 financials by June 1, 2022; if reporting is complete, then payment is required by June 30, 2022.							
			General Fund	0	0	0	0	0	0	0
3	HF 4064	Youakim	Local Government Aid formula changes and appropriation increase; Mahnomens Property Tax Reimbursement Aid appropriation modified Modifies LGA distribution formulas and increases appropriations to \$592.6 million, an add'l \$28.5 million/ year Codifies appropriations for Mahnomens that were previously made in 2006 session law and includes a \$160,000/year increase for the city. Payments made annually on July 20. Effective aids payable 2023/FY 2024 LGA appropriation increase Mahnomens Property Tax Reimbursement Aid Property Tax Refund interaction Income Tax interactions							
				0	0	0	28,220	28,220	56,440	
				0	0	0	160	160	320	
				0	0	0	(750)	(750)	(1,500)	
				0	0	0	(290)	(290)	(580)	
			General Fund	0	0	0	27,340	27,340	54,680	

House Property Tax Division
Revenue Impact Summary for Selected Property Tax bills -
Friday, March 18, 2022

Updated

3.17.2022
 530 PM

Note: This table reflects expenditure changes to the base budget reflected in the **February 2022 forecast**. Positive numbers are an expenditure increase, negative numbers are a reduction/cost savings.

Bill No.	Sponsor	Bill description	General Fund Expenditure Change (000's)					
			FY 2022	FY 2023	FY 22-23	FY 2024	FY 2025	FY 24-25
4	HF 3794	Lislegard	Increase Local Government Aid appropriation					
			Increases the LGA appropriation to \$654.4 million, an additional \$90 million/ year beginning in Pay 2023/FY 2024					
			LGA appropriation increase					
			0	0	0	90,000	90,000	180,000
			Property Tax Refund interaction					
			0	0	0	(2,360)	(2,360)	(4,720)
			Income Tax interactions					
			0	0	0	(920)	(920)	(1,840)
			General Fund					
			0	0	0	86,720	86,720	173,440
5	HF4155	Hertaus	Local Government Aid, city aid modified					
	A22 & A1		Modifies LGA distribution formulas and increases the appropriation to \$584.39 million, an additional \$20 million/ yr					
			Creates an "alternative per capita aid minimum" funded with 2% of the LGA appropriation (\$11.7 million) so that all 854 cities would receive an LGA distribution					
			LGA appropriation increase					
			0	0	0	20,000	20,000	40,000
			Property Tax Refund interaction					
			0	0	0	(530)	(530)	(1,060)
			Income Tax interactions					
			0	0	0	(200)	(200)	(400)
			General Fund					
			0	0	0	19,270	19,270	38,540
Property Tax changes								
6	HF 2929	Marquart	Increase School Building Bond (SBB) Agricultural Credit					
			Recent scheduled increases of SBB Ag Credit have been 55% in pay 2021, 60% in pay 2022, 70% in pay 2023					
			The bill increases credit from 70% to 100% for pay 2023 and beyond					
			SBB Ag Credit appropriation increase					
			0	0	0	43,800	56,800	100,600
			Property Tax Refund interaction (hghr dbt serv incrs tx burden)					
			0	0	0	1,320	2,690	4,010
			Income Tax interactions (lower p tax reduce incm tx deductns)					
			0	0	0	(1,180)	(1,160)	(2,340)
			General Fund					
			0	0	0	43,940	58,330	102,270

House Property Tax Division
Revenue Impact Summary for Selected Property Tax bills -
Friday, March 18, 2022

Updated

3.17.2022
 530 PM

Note: This table reflects expenditure changes to the base budget reflected in the **February 2022 forecast**. Positive numbers are an expenditure increase, negative numbers are a reduction/cost savings.

Bill No.	Sponsor	Bill description	General Fund Expenditure Change (000's)						
			FY 2022	FY 2023	FY 22-23	FY 2024	FY 2025	FY 24-25	
7	HF 3782	Stephenson	Energy storage system exemption established Creates a property tax exemption for renewable energy <u>storage</u> system property (solar panels) and provides for a property tax refund for taxes paid (local and state general levy) on exempt property for pay years 2021 and 2022 only. To be eligible for the exemption, a taxpayer must file an application by Aug 1, 2022. Effective for assessment year 2022/ tax payable year 2023 State General Levy Tax Refund - one time (2-yr window) Property Tax interaction General Fund	0	90 0	90 0	0 20	0 20	0 40
8	HF 2181 w A1 (tech)	Anderson	Solar generating system real property classification provisions modified Clarifies that the land beneath a solar energy generating system is taxable class 3a land. Effective for taxes payable in 2023 and beyond General Fund	0	0	0	(Negligible)	(Negligible)	(Negligible)
9	HF 3678 w A1	Schultz	Airport property tax exemption modified Expands the exemption to include the "manufacture" of aircraft; adds provision for cities with pop between 50,001-150,000 to reduce calc of tax to 50% net tax capacity No effective date - default is Aug 1, 2022 General Fund	0	0	0	0	0	0
Property Tax changes - Tax Increment Financing									
10	HF 4281 w A2	Youakim	Tax Increment Financing - Various pooling provisions clarified, administrative expense limitations clarified, and application of violations and remedies expanded. Effective day of enactment +1 General Fund	0	0	0	0	0	0