

March 16, 2021

**PROPERTY TAX
Melrose Fire Remediation Grants**

**Property Taxes and Local Aids Only --
See Separate Analysis for State Taxes**

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of H.F. 1329 (Anderson) / S.F. 1464 (Westrom) as introduced

Fund Impact

	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
		(000's)		
General Fund	(\$644)	\$0	\$0	\$0

Effective the day following final enactment.

EXPLANATION OF THE BILL

****Section 2 appropriation only****

The 2017 tax bill appropriated \$1,392,258 from the state general fund to the city of Melrose and Stearns County in response to a 2016 fire. The appropriation for grants was available until June 30, 2018, at which point any unspent amount canceled back to the general fund.

This bill would make a new one-time appropriation in fiscal year 2022 that is available through June 30, 2023.

REVENUE ANALYSIS DETAIL

- The new appropriation amount is \$643,729, which is the amount that was unspent from the original appropriation in 2017.
- The new appropriation will be made from the state general fund in FY2022.

Source: Minnesota Department of Revenue
Property Tax Division - Research Unit
<https://www.revenue.state.mn.us/revenue-analyses>

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PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral	
<i>Efficiency & Compliance</i>	Neutral	
<i>Equity (Vertical & Horizontal)</i>	Neutral	
<i>Stability & Predictability</i>	Neutral	
<i>Competitiveness for Businesses</i>	Neutral	
<i>Responsiveness to Economic Conditions</i>	Increase	Helps pay for damages associated with the 2016 Melrose fire.

The bill is scored on a three point scale (decrease, neutral, increase) for each principle in comparison to current law.