

Minnesota House Fiscal Analysis Department

2023 Session - Property Tax Division

HF 1377-DE1, Property Tax Division Report - Changes to February 2023 forecast

Dollars in Thousands

3/21/2023

10:00 AM

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

	Bill #	Author	Change Item Description	Effective date	HF 1377- DE1 in Division							
					FY 2023	FY 2022-23	FY 2024	FY 2025	FY 2024-25	FY 2026	FY 2027	FY 2026-27
	GENERAL FUND SUMMARY											
	Property Tax Aids, Credits and Refunds											
1			February 2023 forecast		2,588,446	4,641,358	2,197,802	2,236,813	4,434,615	2,263,356	2,291,241	4,554,597
2			HF 1377 Division Report - Total Proposed GF Changes		126	126	12,010	636,400	648,410	436,930	479,410	916,340
3	Property Tax Aids, Credits and Refunds - February 23 Forecast + Division Changes				2,588,572	4,641,484	2,209,812	2,873,213	5,083,025	2,700,286	2,770,651	5,470,937
4												
5	PROPERTY TAX REFUNDS											
6	HF 1506	Lislegard	HCSR Property Tax Refund changes									
7			Reduce all eligible homeowner copays by 5%	Pay 2024	0	0	0	41,800	41,800	42,300	42,600	84,900
8	HF 1653	Coulter	Renters Credit - Convert to Income Tax Credit									
9			Repeal Renter PTR, sunset rent paid 2024, taxes filed in 2025	Rnt Pd 2024	0	0	0	0	0	(245,500)	(247,300)	(492,800)
10			Renter Income Tax credit effective rent pd 2024, taxes filed 2025	Tax Yr 2025	0	0	0	378,600	378,600	382,300	386,000	768,300
11												
12			Subtotal Renter PTR conversion		0	0	0	378,600	378,600	136,800	138,700	275,500
13	PROPERTY TAX CHANGES											
14	HF 1504	Norris	Homestead Market Value Exclusion changes PTR interaction	Assmt 2024	0	0	0	0	0	(1,310)	(1,310)	(2,620)
15	HF 236	Freiberg	Disabled veterans' homestead market value exclusion applctn	Assmt 2023			0	(30)	(30)	(40)	(40)	(80)
16	HF 858	Norris	deadline eliminated for qualifying spouses - PTR interaction									
17	HF 307	Richardson	Community land trust class 4d(2) rate @ 0.75% PTR inctn	Assmt 2024	0	0	0	0	0	(260)	(260)	(520)
18	HF 1727	Wolgamott	Senior citizens' property tax deferral requirements: lower occupancy req to 5 yr, incrs HH incm to \$96K - PTR inctn	Pay 2024	0	0	0	260	260	640	650	1,290
19												
20	HF 259	Olson, L	Elderly living facilities exempted from taxation	Assmt 2023	0	0	0	10	10	10	10	20
21												

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				FY 2023	FY 2022-23	FY 2024	FY 2025	FY 2024-25	FY 2026	FY 2027	FY 2026-27
22	HF 1099	Anderson	Solar generating system real property class clarified - PTR	Pay 2024	0	0	0	(Negligible)	(Negligible)	(Negligible)	(Negligible)
23	HF 875	Becker-Finn	Extend exmptn tribal-owned property Mpls	Pay 2023-34	0	0	10	Negligible	10	Negligible	Negligible
24	HF 1471	Kozlowski	Airport property - 50% prop tax exmpt "manufacture" of aircraft	Pay 2024			0	30	30	30	30
25	HF 2012	Lislegard	Mining Tax changes								
26		Gross proceeds tax @ 0.4% (rev gain)	12.31.2022			0	0	0	(2,000)	(1,400)	(3,400)
27		State Distribution of Gross proceeds tax to local units				0	0	0	0	2,000	2,000
28		Repeal Net proceeds tax @ 2.0% - due to begin FY 2029				0	0	0	0	0	0
29		Repeal state Distribution of Net proceeds tax to local units				0	0	0	0	0	0
30		Tacotie Production Tax Distribution (local impact only)	Pay 2023			0	0	0	0	0	0
31		Subtotal Mining Tax				0	0	0	(2,000)	600	(1,400)
32											
33	AIDS AND CREDITS										
34	HF 1377	Lislegard	Local Government Aid formula changes and appropriation increase; Mahnomen Property Tax Reimbursement Aid	Pay 2024							
35		LGA appropriation increase			0	0	0	100,000	100,000	127,700	153,900
36		Mahnomen Property Tax Reimbursement Aid (increase only)			0	0	0	160	160	160	160
37		Property Tax Refund interaction			0	0		(2,730)	(2,730)	(3,490)	(4,210)
38		Income Tax interactions			0	0	0	(980)	(980)	(1,250)	(1,510)
39		Subtotal LGA			0	0	0	96,450	96,450	123,120	148,340
40	HF 2239	Swedzinski	City of Echo 2021 LGA penalty forgiveness		46	46	0	0	0	0	0
41	HF 1802	Urdahl	City of Morton 2021 LGA penalty forgiveness		79	79	0	0	0	0	0
42											
43	HF 1377	Lislegard	County Program Aid appropriation increase	Pay 2024							
44		CPA appropriation increase			0	0	0	100,000	100,000	115,300	129,500
45		Property Tax Refund interaction			0	0	0	(2,730)	(2,730)	(3,150)	(3,540)
46		Income Tax interactions			0	0	0	(980)	(980)	(1,130)	(1,270)
47		Subtotal CPA			0	0	0	96,290	96,290	111,020	124,690

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48	HF 825	Lislegard	Payment in Lieu of Taxes (PILT) changes and study (by 01/24)	Pay 2024								
49			PILT payment increases		0	0	0	9,300	9,300	10,200	11,000	21,200
50			Property Tax Refund interaction		0	0	0	(250)	(250)	(280)	(300)	(580)
51			Income Tax interactions		0	0	0	(90)	(90)	(100)	(110)	(210)
52			Subtotal PILT		0	0	0	8,960	8,960	9,820	10,590	20,410
53	HF 735	Reyer	Soil and Water Conservation District Aid -	Pay 2023								
54			SWCD Aid for every county plus 3 counties have 2 districts ea.		0	0	12,000	12,000	24,000	12,000	12,000	24,000
55												
56	HF 1427	Hill	Electric Generation Transition Aid to local governments	Pay 2024								
57			Electric Generation Transition Aid		0	0	0	2,120	2,120	5,020	2,930	7,950
58			Property Tax Refund interactions		0	0	0	(70)	(70)	(160)	(90)	(250)
59			Income Tax interactions		0	0	0	(20)	(20)	(60)	(30)	(90)
60			Subtotal Electric Generation Transition Aid		0	0	0	2,030	2,030	4,800	2,810	7,610
62												
63	HF 1377 Division Report											
	Total General Fund Changes				126	126	12,010	636,400	648,410	436,930	479,410	916,340
64												
65	NO STATE COST CHANGES											
66	Property tax changes - Miscellaneous (no state fund impact)											
67	HF 514	Lislegard	Virginia debt limit exclusion	DFE	0	0	0	0	0	0	0	0
68	HF 1721	Lee	Delinquent Property Tax interest rate	Assmt 2024	0	0	0	0	0	0	0	0
69	HF 675	Agbaje	Property tax service of petitions	Aug 1, 2023	0	0	0	0	0	0	0	0
70	HF 2172	Hornstein	Tourism Improvement Districts	DFE	0	0	0	0	0	0	0	0
71	HF 2495	Lee	Ramsey County Tax judgment sales	Local appvl + file	0	0	0	0	0	0	0	0

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72	Property tax changes for Tax Increment Financing (TIF)										
73	HF 880	Gomez	Tax Increment Financing - Various pooling provisions clarified, administrative expense limitations clarified, and application of violations and remedies expanded.	DfE +1	0	0	0	0	0	0	0
74	HF 1871	Olson, L.	Duluth TIF - Port Lot D, redvlpmt TIF	Local appvl + file	0	0	0	0	0	0	0
75	HF 2412	Olson, L.	Duluth TIF Medical Regional Exchg, redvlpmt TIF, extnd term to 2051	Local appvl + file	0	0	0	0	0	0	0
76	HF 335	Hanson, J	Savage TIF district special rules (5-6yr) extended	Local appvl + file	0	0	0	0	0	0	0
77	HF 978	Davids	TIF Economic Development - Chatfield	Local appvl + file	0	0	0	0	0	0	0
78	HF 263	Tabke	Shakopee TIF - soil deficiency	Local appvl + file	0	0	0	0	0	0	0
79	HF 1049	Brand	TIF expansion for 3 small cities (Spicer, Lafayette, Nicolet)	Local appvl + file	0	0	0	0	0	0	0
80	HF 1768	Coulter	Bloomington TIF - Central Station undevelopd parcels	Local appvl + file	0	0	0	0	0	0	0
81	HF 134	Klevorn	Plymouth TIF - Establish a redvlpmt dstct, spc rules 10yr extnd	Local appvl + file	0	0	0	0	0	0	0
82	HF 1285	Lislegard	Housing TIF - Nonmetro cities pop < 50,000	Local appvl + file	0	0	0	0	0	0	0
83	HF 428	Clardy	West St. Paul Redevelopment TIF - spec rules, uses	Local appvl + file	0	0	0	0	0	0	0
84	HF 1458	Koegel	Fridley TIF District 20 - trnsfr incrmt to HsgRedvlpmt Authority, limit uses, reports in 2024 & 2026. Expires Dec 2026	Local appvl + file	0	0	0	0	0	0	0
85	HF 1463	Hemmingsen-Jager	Wodbury TIF Distct 13- spec rules amd	Local appvl + file	0	0	0	0	0	0	0

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86	Local Lodging / Tourism Taxes (no state fund impact)		Local appvl + file DFE								
87	HF 124	Skraba		Cook County local 1% lodging tax extended from 15 to 30 yrs	0	0	0	0	0	0	0
88	HF 2382	Olson, L		Duluth Extnd term 0.5% lodging, incrs debt from \$18M to \$54M	0	0	0	0	0	0	0