

Minnesota House Fiscal Analysis Department

2022 Session - Property Tax Division

3/27/2022

HF 4064-A22-0389 Property Tax Division Report - Changes to February 2022 forecast

Dollars in Thousands

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

Bill #	Author	Change Item Description	Effective date	HF 4064 -A22-0389 in Division						
				FY 2022	FY 2023	FY 2022-23	FY 2024	FY 2025	FY 2024-25	
<b>GENERAL FUND SUMMARY</b>										
Property Tax Aids, Credits and Refunds										
1		February 2022 forecast		2,075,125	2,078,514	4,153,639	2,151,796	2,191,007	4,342,803	
2		HF 4064 -A22-0389 Division Report - Total Proposed GF Changes				<u>394,600</u>			<u>612,260</u>	
3		Property Tax Aids, Credits and Refunds - February 22 Forecast + Division Changes		2,075,125	2,078,514	4,153,639	2,151,796	2,191,007	4,342,803	
<b>PROPERTY TAX REFUNDS</b>										
6	HF 3518	Youakim	HCSR Property Tax Refund changes							
7			Homeowner PTR - Incrs max refund \$300, reduce thrshds 0.1% incm \$21.8K-\$32.8K, reduce copays 5% incm \$33K-\$77K	Pay 2023	0	0	0	35,200	36,800	72,000
8	HF 3558	Marquart	Renters Credit - Convert to Income Tax Credit							
9	HF 4226	Agbaje								
10	HF 4227	Gomez	Repeal Renter PTR, sunset rent paid 2022, taxes filed in 2023	Rnt Pd 2022	0	0	0	(231,600)	(234,700)	(466,300)
11			Renter Income Tax credit effective rent pd 2022, taxes filed 2023	Tax Yr 2023	0	372,600	372,600	378,200	386,100	764,300
12			Subtotal Renter PTR conversion		0	372,600	372,600	146,600	151,400	298,000
13	HF 3725	Huot	Special (Targeting) Property Tax Refund changes							
14			Reduce thrshld from 12% to 10%; Incs max refnd to \$2,000		0	0	0	1,900	2,000	3,900
15	HF 1095	Hertaus	Manufactured home park classification modified. PTR interaction	Pay 2023	0	0	0	0	270	270
16	HF 3629	Morrison	Homestead Market Value Exclusion changes PTR interaction	Assmt 2023	0	0	0	0	(1,610)	(1,610)
17	HF 2865	Dettmer	Disabled veterans' homestead market value exclusion application	Assmt 2022						
18	HF 3066	Lislegard	deadline extended for qualifying spouses		0	0	0	(Negligible)	(Negligible)	(Negligible)
19			PTR interaction							
21	HF 2300	Richardson	Community land trust property class 4d(2) rate @ 0.75%	Pay 2023	0	0	0	(180)	(180)	(360)
22			PTR interaction							
23	HF 3384	Hanson J	Senior citizens' property tax deferral requirements: lower occupancy req to 5 yr, incrs HH incm to \$96K - PTR interaction	Pay 2023	0	0	0	270	660	930
24	HF 1661	Schultz	Elderly living facilities exempted from taxation	Assmt 2023	0	0	0	0	10	10
25	HF 3782	Stephenson	Energy storage system exemption established PTR interaction	Assmt 2022	0	0	0	20	20	40
26	HF 2181	Anderson	Solar generating system real property class clarified - PTR	Pay 2023	0	0	0	(Negligible)	(Negligible)	(Negligible)
27	HF 3678	Schultz	Airport property - exempt "manufacture" of aircraft	Pay 2023	0	0	0	20	20	40
28										
29										
30										
31	<b>AIDS AND CREDITS</b>									
32	HF 4064	Youakim	Local Government Aid formula changes and appropriation increase; Mahnomen Property Tax Reimbursement Aid	Pay 2023						
33			LGA appropriation increase		0	0	0	34,220	34,220	68,440
34			Mahnomen Property Tax Reimbursement Aid		0	0	0	160	160	320
35			Property Tax Refund interaction		0	0	0	(900)	(900)	(1,800)
36			Income Tax interactions		0	0	0	(350)	(350)	(700)
37			<b>General Fund</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>33,130</b>	<b>33,130</b>	<b>66,260</b>
38	HF 2810	Swedzinski	City of Echo 2021 LGA penalty forgiveness		0	0	0	0	0	0
39	HF3586	Torkelson	City of Morton 2021 LGA penalty forgiveness		0	0	0	0	0	0
40										
41	HF4399	Sandstede	County Program Aid appropriation increase	Pay 2023						
42			CPA appropriation increase		0	0	0	13,000	13,000	26,000
43			Property Tax Refund interaction		0	0	0	(340)	(340)	(680)
44			Income Tax interactions		0	0	0	(130)	(130)	(260)
45			<b>General Fund</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>12,530</b>	<b>12,530</b>	<b>25,060</b>
46	HF 2928	Marquart	Stronger Community Aid Program created, replaces Performance Measurement	Pay 2023						
47			Repeal Performance Measurement Aid		0	0	0	(497)	(497)	(994)
48			Stronger Community Aid Program		0	0	0	497	497	994
49			<b>General Fund</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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50 51 52 53	HF3719 Reyer HF 3669 Marquart	Soil and Water Conservation District Aid - new SWCD Aid for every county plus 3 counties have 2 districts ea. <b>General Fund</b>	Pay 2022	0	22,000	22,000	22,000	22,000	44,000
54 55 56 57 58	HF 3224 Huot HF 3906 Reyer	School District Equalization Aid - provides add'l equalization aid for school districts; simplifies aid/levy formulas Local option revenue levy Property Tax Refund interactions Income Tax interactions <b>General Fund</b>	Pay 2023	0	0	0	38,740	51,950	90,690
59 60 61 62 63	HF 1429 Vang	Class 2a land agricultural product definition expanded to include industrial hemp Property Tax Refund interactions Ag Homestead Market Value Credit School Building Bond Agriculture Credit <b>General Fund</b>	Assmt 2023	0	0	0	0	30	30
64 65 66 67 68 69 70	HF 2929 Marquart	Increase School Building Bond Agriculture Credit to 85% School Building Bond Agriculture Credit Property Tax Refund interactions Income Tax interactions <b>General Fund</b>	Pay 2024	0	0	0	0	21,800	21,800
71	<b>Total General Fund Changes, Property Tax Aids, Credits and Refunds</b>			<b>0</b>	<b>394,600</b>	<b>394,600</b>	<b>286,220</b>	<b>326,040</b>	<b>612,260</b>

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NO STATE COST CHANGES

74	<b>Property tax changes - Miscellaneous (no state fund impact)</b>								
75	HF 2800	Hertaus	Delinquent Property Tax interest rate	Jan 1, 2023	0	0	0	0	0
76	HF 3042	Davnie	Tourism Improvement Districts	DFE	0	0	0	0	0
77	<b>Property tax changes for Tax Increment Financing (TIF)</b>								
78	HF 4281	Youakim	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
79	HF 2775	Klevorn	Plymouth TIF district spec rules (10yr extnd,uses)	Local appvl + file	0	0	0	0	0
80	HF 4082	Youakim	Hopkins TIF District 2-11 amd special rules (30% incrmnt, uses)	Local appvl + file	0	0	0	0	0
81	HF4127	Hanson, J	Savage TIF district special rules (5-6yr) extended	Local appvl + file	0	0	0	0	0
82	HF 2700	Sandell	Woodbury TIF District 13 special rules amended, Central Park	Local appvl + file	0	0	0	0	0
83	HF4297	Bernardy	Fridley TIF district 20 special rules established, housing uses	Local appvl + file	0	0	0	0	0
84	<b>Local Lodging / Food &amp; Beverage Taxes (no state fund impact)</b>								
85	HF 3074	Ecklund	Cook County local 1% lodging tax extended from 15 to 30 yrs	Local appvl + file	0	0	0	0	0
86	HF 551	Klevorn	Plymouth 3% local lodging, eliminate 10-yr sunset	DFE	0	0	0	0	0
87	HF 1676	Sandell	Woodbury 3% local lodging tax (current authority), allow 2/3 use	Local appvl + file	0	0	0	0	0
88	<b>Local Option Sales Taxes (no state fund impact)</b>								
89	HF 3381	Youakim	Local taxes; resolution submission and referendum requirements clarified for modifying new & existing local sales tax	Local appvl + file	0	0	0	0	0
90	HF 3107	Igo	Grand Rapids local sales and use tax authorized	Local appvl + file	0	0	0	0	0

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91	HF 3443	Gruenhagen	Henderson local sales and use tax authorized	Local appvl + file	0	0	0	0	0	0
92	HF 3716	Murphy	Proctor local sales and use tax authorized	Local appvl + file	0	0	0	0	0	0
93	HF 2923	Pelowski	Winona County local sales and use tax authorized	Local appvl + file	0	0	0	0	0	0
94	HF3748	Lippert	Rice County local sales and use tax authorized	Local appvl + file	0	0	0	0	0	0
95	HF 3606	Carlson	Bloomington local sales and use tax authorized	Local appvl + file	0	0	0	0	0	0
96	HF2702	Edelson	Edina local sales and use tax modified	Local appvl + file	0	0	0	0	0	0
97	HF3760	Vang	Brooklyn Center local sales and use tax authorized	Local appvl + file	0	0	0	0	0	0
98	HF 3194	Becker-Finn	Roseville local sales and use tax modified	Local appvl + file	0	0	0	0	0	0
99	HF 3829	Lueck	Aitkin local sales and use tax modified	Local appvl + file	0	0	0	0	0	0
100	HF 3473	Freiberg	Golden Valley local option sales tax authorized	Local appvl + file	0	0	0	0	0	0
101	HF 3703	Grossell	Blackduck local option sales tax authorized	Local appvl + file	0	0	0	0	0	0
102	HF 3763	Kiel	East Grand Forks local option sales tax authorized	Local appvl + file	0	0	0	0	0	0
103	HF 3822	Liebling	Rochester local option sales tax authorized	Local appvl + file	0	0	0	0	0	0
104	HF 3969	Swedzinski	Marshall local option sales tax authorized	Local appvl + file	0	0	0	0	0	0
105										