

Minnesota House Fiscal Analysis Department

2023 Session - Property Tax Division

3/23/2023

HF 1377-DE, Property Tax Division Report with Author's A9 Amendment - Changes to February 2023 forecast

8:25 PM

Dollars in Thousands

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

Bill #	Author	Change Item Description	Effective date	HF 1377- DE1 with Author's Amendment 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												
		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	
		<i>HF 1377-DE Division Report + Author Amd - Total Proposed GF Changes</i>		<u>126</u>	<u>126</u>	<u>12,010</u>	<u>636,400</u>	<u>648,410</u>	<u>436,930</u>	<u>479,410</u>	<u>916,340</u>	
		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	
PROPERTY TAX REFUNDS												
6	HF 1506	Lislegard	HCSR Property Tax Refund changes									
7			Reduce all eligible homeowner copays by 5%	Pay 2024	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	(245,500)	(247,300)	(492,800)	
10			Renter Income Tax credit effective rent pd 2024, taxes filed 2025	Tax Yr 2025	0	0	378,600	378,600	382,300	386,000	768,300	
11												
12			Subtotal Renter PTR conversion		0	0	378,600	378,600	136,800	138,700	275,500	
PROPERTY TAX CHANGES												
14	HF 1504	Norris	Homestead Market Value Exclusion changes PTR interaction	Assmt 2024	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)	(80)	
16	HF 858	Norris	deadline eliminated for qualifying spouses and previously denied									
17	HF1060	Demuth	spouses permitted to reapply - PTR interaction									
18	HF 307	Richardson	Community land trust class 4d(2) rate @ 0.75% PTR inctn	Assmt 2024	0	0	0	0	(260)	(260)	(520)	
19	HF 1727	Wolgammott	Senior citizens' property tax deferral requirements: lower occupancy req to 5 yr, incrs HH incm to \$96K - PTR inctn	Pay 2024	0	0	260	260	640	650	1,290	
20	HF 259	Olson, L	Elderly living facilities exempted from taxation	Assmt 2023	0	0	10	10	10	10	20	
21												

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22	HF 1099	Anderson	Solar generating system real property class clarified - PTR	Pay 2024	0	0	0	(Negligible)	(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	Negligible
24	HF 1471	Kozlowski	Airport property - 50% prop tax exmpt "manufacture" of aircraft	Pay 2024			0	30	30	30	30	60
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			Tacontie 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; Mahnomens Property Tax Reimbursement Aid	Pay 2024								
35			LGA appropriation increase		0	0	0	100,000	100,000	127,700	153,900	281,600
36			Mahnomen Property Tax Reimbursement Aid (increase only)		0	0	0	160	160	160	160	320
37			Property Tax Refund interaction		0	0		(2,730)	(2,730)	(3,490)	(4,210)	(7,700)
38			Income Tax interactions		0	0	0	(980)	(980)	(1,250)	(1,510)	(2,760)
39			Subtotal LGA		0	0	0	96,450	96,450	123,120	148,340	271,460
40	HF 2239	Swedzinski	City of Echo 2021 LGA penalty forgiveness		46	46	0	0	0	0	0	0
41	HF 1802	Urdahl	City of Morton 2021 LGA penalty forgiveness		79	79	0	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	244,800
45			Property Tax Refund interaction		0	0	0	(2,730)	(2,730)	(3,150)	(3,540)	(6,690)
46			Income Tax interactions		0	0	0	(980)	(980)	(1,130)	(1,270)	(2,400)
47			Subtotal CPA		0	0	0	96,290	96,290	111,020	124,690	235,710

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48	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	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	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
61												
62												
63	HF 1377 Division Report											
	Total General Fund Changes											
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	0
74	HF 1871	Olson, L.	Duluth TIF - Port Lot D, redvlpmt TIF	Local appvl + file	0	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	0
76	HF 335	Hanson, J	Savage TIF district special rules (5-6yr) extended	Local appvl + file	0	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	0
78	HF 263	Tabke	Shakopee TIF - soil deficiency	Local appvl + file	0	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	0
80	HF 1768	Coulter	Bloomington TIF - Central Station undevelpd parcels	Local appvl + file	0	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	0
82	HF 1285	Lislegard	Housing TIF - Nonmetro cities pop < 50,000	Local appvl + file	0	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	0
84	HF 1458	Koegel	Fridley TIF District 20 - trnsfr incrmnt to HsgRedvlpmt Authority, limit uses, reports in 2024 & 2026. Expires Dec 2026	Local appvl + file	0	0	0	0	0	0	0	0
85	HF 1463	Hemmingsen-Jager	Woodbury TIF Distct 13- spec rules amd	Local appvl + file	0	0	0	0	0	0	0	0
86	HF 2118	Kiel	Northwest MN Multi-County Hsg Redvlpmt Auth levy end date	Local appvl + file	0	0	0	0	0	0	0	0

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