

PROPERTY TAX

Providing grants to counties for relief to local businesses

March 16, 2021

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of H.F. 1914 (Youakim) / S.F. 1981 (Nelson) as introduced

	Fund Impact				
	FY2021	FY2022	FY2023	FY2024	FY2025
	(000's)				
General Fund	(\$50,000)	\$0	\$0	\$0	\$0

Effective the day following final enactment.

EXPLANATION OF THE BILL

The proposal would create a one-time appropriation of \$50 million in fiscal year 2021 to be used by counties for COVID-19 relief grants to local businesses and nonprofits. Each county would receive a per capita amount based on the estimated population in 2019, but no less than \$100,000. Individual businesses, nonprofits, and establishments operated by congressionally chartered veterans organizations would be eligible for a grant if they were required to close as a result of Executive Order No. 20-99. Tribally owned property that voluntarily complied with Executive Order No. 20-99 would also be eligible. Grants must be awarded by May 31, 2021, and the funds must be used for operations expenses incurred during the COVID-19 pandemic. Any portion of the appropriation not used by June 15, 2021 would be returned to the state general fund.

REVENUE ANALYSIS DETAIL

- It is assumed that the entire appropriation of \$50 million would be used to provide grants to local businesses and nonprofits.
- The one-time appropriation would result in a \$50 million cost to the state general fund in fiscal year 2021.

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

hf1914(sf1981)_pt_1/jtb

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>	Neutral	Provides relief to businesses impacted by recent COVID-19-related restrictions.

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