

HOUSE RESEARCH

Bill Summary

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Subject: Property Tax Rebate

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Overview

H.F. 61 provides for a property tax rebate equal to 15 percent of property taxes payable in 2007 for any and all properties in the state, provided that the county and the city or town where the property is located both agree to hold levy increases to less than inflation plus population growth. Effective the day following final enactment

Section

1 2007 Property tax rebate.

Subd. 1. Qualifying properties. Provides for a rebate of 15 percent of property taxes payable in 2007 for all properties in the state, provided that the county and the city or town where the property is located propose a levy for taxes payable in 2008 that does not exceed the limit specified in section 0.

Subd. 2. Supplemental tax statement. Provides that the county treasurer must mail out a supplemental property tax statement by September 21, 2007, for each property qualifying for a rebate under subdivision 1. The supplemental statement must show the revised second-half payment amount after subtracting the amount of the rebate from the second-half payment that would otherwise be due.

Subd. 3. Report to commissioner of revenue. Requires each county to report the

Section

total amount of rebates issued in the county to the Department of Revenue by October 15, 2007.

Subd. 4. Payments. Provides that the Department of Revenue must send reimbursement checks to each county equal to the amount of rebates issued by November 15, 2007. These shall be distributed by the county treasurer in the same manner as the property tax distributions.

Subd. 5. Refunds. Provides that any property tax payments received by the county in excess of the amount due as a result of the rebate must be refunded to the taxpayer by December 1, 2007, or within 60 days of receipt of the excess payment, whichever is later.

- 2 **Commissioner of revenue to determine maximum levies.** (a) Provides that the commissioner of revenue must certify the maximum amount that a county, city or town can levy for taxes payable in 2008 that would still allow property owners within the jurisdiction to receive the rebate authorized in section 0. The commissioner shall notify the jurisdictions of the amount by August 1, 2007.

(b) Provides that the maximum levy is computed as the levy for taxes payable in 2007 increased by the rate of inflation and increased by the percentage population growth (if any) within the jurisdiction for the most recent 12 months.
- 3 **Certification of proposed levies.** Provides that for taxes payable in 2008 only, counties, cities and towns must certify their proposed levies by September 1, 2007, rather than the current date of September 15, 2007.
- 4 **Appropriation.** Appropriates the amount necessary to pay for the rebates to the commissioner of revenue. A blank appropriation is given to the commissioner of revenue in fiscal year 2008 to reimburse counties for all or part of the costs incurred by the counties to administer this act.