

HOUSE RESEARCH

Bill Summary

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Authors: Lenczewski and others

Subject: Fiscal disparities program; requiring a study

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Section

1 Fiscal disparities study.

Subdivision 1. Study required. Requires the commissioner of revenue to conduct a study of the metropolitan fiscal disparities program and make a report to the house and senate tax committees by February 1, 2010. The study is to consider whether the fiscal disparities program is meeting the following goals and what changes could be made in furtherance of the goals:

- 1) Reducing the extent to which the property tax system encourages inefficient development patterns
- 2) Ensuring that the benefits of economic growth are shared throughout the region
- 3) Allowing taxing jurisdictions to deliver services in proportion to their tax effort
- 4) Compensating jurisdictions for low-tax-yield properties that provide regional benefits
- 5) Promoting a fair distribution of tax burdens across the region
- 6) Reducing economic losses from competition for commercial-industrial tax base.

Subd. 2. Appropriation. Appropriates \$50,000 to the commissioner of revenue to conduct the study required under subdivision 1.

Effective July 1, 2009.