

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1724
Version: As introduced

DATE: April 8, 2013

Authors: Davnie

Subject: Modifications to truth-in-taxation process

Analyst: Steve Hinze, Legislative Analyst (steve.hinze@house.mn)
Pat Dalton, Legislative Analyst (pat.dalton@house.mn)

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Overview

H.F. 1724 eliminates the requirement for counties to prepare and distribute parcel-specific truth-in-taxation notices and eliminates the requirement for jurisdictions to hold a public meeting with the opportunity for taxpayer input prior to adopting their final levies.

It also institutes a requirement for each jurisdiction to hold a new public budget hearing prior to September 2 of each year, before adoption of each jurisdiction's preliminary or proposed levy, where public input must be taken. At the hearing, the jurisdiction must present an estimated proposed levy, among other items. Also at the hearing, the county is required to provide a summary of property tax impacts by property type, covering all applicable taxing jurisdictions.

Section

- 1 Homestead application.** Eliminates a reference to the truth-in-taxation statement, which is repealed in section 9.
- 2 Truth in taxation.** (a) Requires all counties, school districts, major metropolitan area special taxing districts, and cities over 2,500 population to hold a public budget hearing prior to September 2 of each year, before adoption of their proposed levy, at which public input must be allowed.

(b) At the hearing, which cannot start before 6:00 PM, the taxing district is required to present an "estimated proposed levy," a statement of reason for the increase or decrease from the prior year's levy, including the four most significant factors for the change, and an

Section

accounting of the distribution of levy proceeds from the prior year. The county is required to provide a property percentile summary statement, consolidated for all applicable taxing jurisdictions, that compares the proposed tax to the current tax.

(c) Requires the information presented at the hearing to also be made available on the jurisdiction's website and published in a newspaper with county-wide circulation.

- 3 Adoption of budget and levy.** Re-inserts definition of metropolitan area special taxing districts in the truth-in-taxation statute, replacing the definition in the repealed section 9.
- 4 Certification of compliance.** Requires taxing jurisdictions to certify that they have complied with the hearing requirement of section 2 to the commissioner of revenue.
- 5 Certification of levy.** Eliminates a reference to the truth-in-taxation statements that are repealed in section 9.
- 6 Contents of tax statements.** Changes a reference to a definition of metropolitan special taxing districts to section 3.
- 7 Treatment of levy.** Eliminates a reference to truth-in-taxation statements that are repealed in section 9.
- 8 Inclusion in proposed and final levies.** Eliminates a reference to truth-in-taxation statements that are repealed in section 9.
- 9 Repealer.** Repeals the requirement for parcel-specific T-n-T notices, and for holding truth-in-taxation hearings prior to adopting final levies; effective for taxes payable in 2014 and thereafter.