

HOUSE RESEARCH

Bill Summary

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Overview

The Property Tax Payers' Empowerment Act provides that if a county or city increases its property tax levy in any year, the citizens may, through a reverse referendum, petition to vote on the levy increase for the following year at the general election.

Section

- 1 Notice of proposed property taxes.** Requires the Truth in Taxation notices mailed to taxpayers to include a statement at the top informing taxpayers that if the final levy is greater than last year's levy they have the right to petition for a referendum on the next year's levy. Effective beginning with taxes payable in 2016.
- 2 Certification of levy.** Provides for the maximum levy amount depending on the outcome of a referendum required under section 3. If the referendum on the proposed truth in taxation levy passes the maximum levy is the proposed levy amount. If it fails, the maximum allowed levy is the maximum alternative levy (equal to the county's nondebt levy from two years earlier plus its current proposed debt levy).
- 3 Levy increase; reverse referendum authorized.** Provides for a future reverse referendum if a county or city increases its property tax levy.

Subd. 1. Citation. Names this section the Property Tax Payers' Empowerment Act.

Subd. 2. Definitions. Defines the local governments subject to this provision to be counties and all home rule charter and statutory cities. Also defines the maximum

Section

alternative levy allowed if a referendum fails to be the local government's nondebt levy from two years ago plus its proposed debt levy for the coming year.

Subd. 3. Levy increase; reverse referendum authority. Allows a reverse referendum if a city or county increases its levy over the previous year. The referendum occurs if a petition for referendum, signed by 10 percent of the voters in the last general election is filed with the county auditor by June 30th. The referendum must be held at the general election or at a special election on the first Tuesday after the first Monday in November.

Subd. 4. Prohibition against new debt before the election. Prohibits a local government from issuing new debt from the time a petition is filed until after the referendum is held

Subd. 5. Ballot question; consequence of the vote. Lays out the format for the referendum question on the ballot; including the maximum levy if the referendum fails.

Effective beginning with taxes payable in 2016.

- 4 **Auditor to publish rates.** Requires that the newspaper notice of tax rates include notice if a city or county raised its general property tax levy and is therefore subject to a reverse referendum on its next proposed levy. Effective beginning with taxes payable in 2016.
- 5 **Contents of tax statements.** Requires that the current tax statements include notice if a city or county raised its general property tax levy and is therefore subject to a reverse referendum on its next proposed levy. Effective beginning with taxes payable in 2016.