

HOUSE RESEARCH

Bill Summary

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Overview

This bill establishes an economic relief program for businesses in the Lake Mille Lacs area that have been adversely affected by a decline in walleye fishing. Section 1 establishes the program and provides for grants, loans, tourism promotion activities, and reimbursements to certain counties for property tax abatements. This section defines the relief area as the ring of towns and cities immediately surrounding the lake. Section 2 authorizes the counties containing a town in the relief area to abate the property taxes for a business in that town or city. Section 3 provides an appropriation to fund the relief program for three years.

Section

- 1 Lake Mille Lacs Area Economic Relief Program.**
- Requires Mille Lacs County to develop and operate an economic relief program.
 - Provides for grants, interest-free or forgivable loans, tourism promotion, or reimbursements for property tax abatements and refunds under the relief program.
 - Authorizes Mille Lacs County to establish application requirements and to determine terms and duration for grants and loans.
 - Establishes the qualification requirements for businesses under the program. To qualify, a businesses must be located in the first ring of cities and towns surrounding the lake (which includes cities and towns lying within a 15 mile radius from the

Section

center of the lake), document a reduction in gross receipts in any two year period since 2010, and be a business in one of a list of business classifications.

- Requires DEED to audit the county for compliance with the terms of the program.
- Sets the expiration of the program for June 30, 2019.

2 Lake Mille Lacs Area Property Tax Abatement.

- Authorizes Aitkin County, Crow Wing County, and Mille Lacs County to grant abatements to taxpayers who own businesses in the economic relief area.
- Caps the abatement to the amount of the reduction in gross receipts documented under the relief program.
- Prohibits a taxpayer from appealing an abatement decision made by a county to the Minnesota Tax Court.
- Authorizes refunds for taxes already paid.
- Provides for an abatement of the state general tax.
- Establishes certification requirements and payment dates for reimbursements.
- Requires the commissioner of revenue to audit the counties' compliance with the abatement component of the relief program.
- Sets the expiration date of the abatement authorization for taxes payable in 2019.

3 Appropriation; Lake Mille Lacs Area Economic Relief Program. Appropriates \$10 million per year to the program for three years, starting in fiscal year 2017.