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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **1246**

03/05/2013 Authored by Anzele and Radinovich
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; property tax; requiring a study of the Iron Range fiscal
1.3 disparities program; appropriating money.
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **IRON RANGE FISCAL DISPARITIES STUDY.**

1.6 The commissioner of revenue shall conduct a study of the tax relief area revenue
1.7 distribution program contained in Minnesota Statutes, chapter 276A, commonly known as
1.8 the Iron Range fiscal disparities program. By February 1, 2015, the commissioner shall
1.9 submit a report to the chairs and ranking minority members of the house of representatives
1.10 and senate tax committees consisting of the findings of the study and identification of
1.11 issues for policy makers to consider. The study must analyze:

1.12 (1) the extent to which the benefits of the economic growth in the region are shared
1.13 throughout the region, especially for growth that results from state or regional decisions;

1.14 (2) the program's impact on the variability of tax rates across jurisdictions of the
1.15 region;

1.16 (3) the program's impact on the distribution of homestead property tax burdens
1.17 across jurisdictions of the region; and

1.18 (4) the relationship between the impacts of the program and overburden on
1.19 jurisdictions containing properties that provide regional benefits, specifically the costs
1.20 those properties impose on their host jurisdictions in excess of their tax payments. The
1.21 report must include a description of other property tax, aid, and local development
1.22 programs that interact with the fiscal disparities program.

1.23 **EFFECTIVE DATE.** This section is effective January 1, 2014.

2.1 Sec. 2. **APPROPRIATION.**

2.2 \$..... in fiscal year 2014 and \$..... in fiscal year 2015 are appropriated from the
2.3 general fund to the commissioner of revenue to pay for the study required in section 1.

2.4 These are onetime appropriations.