




State of Minnesota
Department of Finance

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May 12, 2006

To: Chairman Pogemiller Chairman Krinkie
 Senator Belanger Representative Lenczewski

From: James Schowalter 
 Assistant Commissioner

Re: Local Impact Note – **HF 4155 (Vandever)**
 Property Tax Notice Modifications

On May 4, the Department of Finance received a request from the chair of the Senate Taxes Committee to prepare a local impact note on HF 4155, a bill that requires additional information be added to the truth-in-taxation notice.

Local impact notes are similar to the fiscal notes that you are familiar with, but they focus on the fiscal impact of proposed legislation on local governments rather than the State. This process is described in Minnesota Statutes 3.987 and 3.988. This statute requires the Department of Finance to gather and analyze information on local costs of legislation when requested by the chair or ranking minority member of either tax committee.

Minnesota Statute 3.988 lists exceptional cases where local impact notes are not required to be prepared. According to this statute, the local impact note process does not apply in those cases where a bill “relates directly to financial administration, including the levy, assessment, and collection of taxes.” As a bill regarding property tax notification and administration, HF 4155 falls into this category. Therefore, a local impact note is not statutorily required and will not be prepared.

If you or your staff has any questions regarding this local impact note request, please contact Alexandra Broat, Executive Budget Officer at 651-296-1700.

cc: Representative Vandever
 Senator Bachmann
 Legislative Staff (email)