

Revised

Consolidated Fiscal Note

2025-2026 Legislative Session

HF3657 - 0 - Property Tax Task Force Established

Chief Author: **Matthew Norris**
 Committee: **Taxes**
 Date Completed: **4/9/2026 10:21:47 AM**
 Lead Agency: **Revenue Dept**
 Other Agencies:
 Legislature Secretary of State

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Legislature	-	-	-	-	-	-
General Fund	-	-	-	-	-	-
State Total						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total						

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Legislature	-	-	-	-	-
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

This fiscal note was revised to update a bill description. The fiscal impact did not change.

LBO Signature: Joel Enders **Date:** 4/9/2026 10:21:47 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Legislature		-	-	-	-	-
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Legislature		-	-	-	-	-
General Fund						
Expenditures		-	-	5	-	-
Absorbed Costs		-	-	(5)	-	-
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Legislature		-	-	-	-	-
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

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Chief Author: **Matthew Norris**
 Committee: **Taxes**
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 Agency: **Revenue Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

This fiscal note was revised to update the bill description. The fiscal impact did not change.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Total	-	-	-	-	-
Biennial Total			-		-
2 - Revenues, Transfers In*					
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

This bill creates a temporary task force to study ways to reduce property taxes on homestead properties and recommend legislative options, including at least one that has minimal impact on the state's general fund.

Subd. 1 creates the task force with two primary goals: (1) investigate ways to reduce property taxes on homestead properties, and (2) develop legislative options for relief. "Homestead property" is defined as class 1a residential homesteads and the house, garage, and surrounding acre of class 2 agricultural property under existing statute.

Subd. 2 identifies seven specific issues the task force must examine, including: how effective the current homestead market value exclusion has been at reducing taxes; comparing 2011 to 2025 homestead exclusion effectiveness; whether adjusting classification rates would be a better tool than the exclusion; how classification rates compare across property types; trends in the homestead share of property taxes from 2015 to 2025; shifts in commercial/industrial/utility property tax burdens over the same period; and how tax burdens compare across homestead, non-homestead residential, and seasonal recreational properties in different parts of the state.

Subd. 3 requires the task force to include two state representatives, two state senators, the commissioner of revenue or a designee, two appointees from the Association of Minnesota Counties, two from the League of Minnesota Cities, one from the Minnesota Association of Townships, and one from the Minnesota Association of Assessing Officers.

Subd. 4 requires the task force to make advisory recommendations to the legislature. The commissioner of revenue or their designee must chair the first meeting, after which the group elects its own chair. Members serve without pay. Meetings must be public with at least seven days' notice, and a quorum is required. Open meeting law (chapter 13D) does not apply, but public access is still required.

Subd. 5 requires the task force to deliver a report, including all advisory recommendations, to the relevant legislative committee chairs and minority members by February 1, 2027.

Subd. 6 dissolves the task force upon submission of the report.

This bill is effective the day following final enactment.

Assumptions

The Department of Revenue (Revenue) assumes the commissioner of revenue will chair the first meeting, after which a member of Revenue's management team will serve on the task force as the commissioner's designated appointee. Subject matter expertise and assistance as needed will be provided by Revenue staff. Revenue assumes it will provide administrative support as required by the bill. Revenue assumes it will write and review the legislative report. All work related to the task force will be completed by the task force deadline of February 1, 2027. Revenue assumes that between the effective date and report submission deadline, the task force will meet four times at a rate of roughly once every other

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month.

The Property Tax Division assumes that it will conduct research and data analysis outside of the task force meetings and provide relevant expertise, answering communications in relation to the work. A Property Tax staff member will be assigned as project manager to oversee administrative duties associated with the task force. Property Tax assumes a high level of involvement based on its subject matter expertise and the stated goals of the task force. Property Tax assumes it will draft the report. All work will be completed by existing staff.

The Appeals, Legal Services, and Disclosure Division (ALSD) assumes disclosure attorneys will draft privacy or data notices for the task force and answer any disclosure legal questions tied to the task force. ALSD assumes an attorney will review communications related to the task force. ALSD assumes attorneys supporting the Property Tax Division will provide legal research for the specific issues the task force will examine, review the task force draft report, and provide legal support for the commissioner or their designated appointee. All work will be completed by existing staff.

The Communication Division assumes it will provide editorial support to the task force, primarily to review/edit/provide an accessible PDF of the task force report. A division staff member will attend task force meetings and be available for other editorial support as needed. All work will be completed by existing staff.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

Local governments will need to provide members for the task force who will attend meetings and assist in meeting its goals.

References/Sources

Agency staff provided information for this fiscal note.

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2025-2026 Legislative Session

HF3657 - 0 - Property Tax Task Force Established

Chief Author: **Matthew Norris**
 Committee: **Taxes**
 Date Completed: **4/9/2026 10:21:47 AM**
 Agency: **Legislature**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 3/6/2026 4:14:42 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures	-	-	5	-	-	-
Absorbed Costs	-	-	(5)	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

The bill establishes a Property Tax Task Force. The 11-member task force will include, in part, two senators and two representatives. The task force must submit a report containing its findings and recommendations by February 1, 2027, at which point the group expires. Members serve without compensation. The Department of Revenue (DOR) must provide administration support to the task force.

Assumptions

1. The task force will meet once every two months between the bill's enactment, concluding February 1, 2027. All meetings will be held during FY27 with three meetings occurring during interim and one meeting occurring during session.
2. All meetings will be held within the Capitol complex with hybrid capacity. If the meeting locations were to be changed, additional cost would be incurred.
3. Any cost of non-legislative member participation in the commission will be addressed by DOR's fiscal note.
4. The bill states that members will serve without compensation. However, legislative members could request reimbursement for expenses of engaging in legislative activity. This fiscal note is based on the assumption that the legislative members will be paid per diem and reimbursement for their expenses for interim meetings. The associated cost may be absorbed by the Senate and the House although that will depend on the priorities of the legislature.
5. Legislative member meeting participation costs include the following expenses per member, per legislative interim meeting: \$110 round trip mileage (152 round trip mile average). Half of the legislative members will be reimbursed for lodging expenses (\$200/night senators, \$175/night representatives).
6. The DOR is to provide administrative support to the task force. Any associated cost will be addressed by DOR's fiscal note.
7. Senate Counsel, Research and Fiscal Analysis will follow the work of the task force. For this fiscal note, we projected 24 hours in FY27 (.01 FTE) although the actual amount of time that will be needed may vary. It is assumed for this fiscal note that existing Senate staff will be utilized, and costs may be absorbed, although that will depend on the priorities of the legislature and staff time required for competing projects.
8. House Research Department and House Fiscal Analysis Department will follow the work of the task force. For this fiscal note, we project 24 hours in FY27 (.01 FTE) although the actual amount of time that will be needed may vary.

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It is assumed that for this fiscal note that existing House staff will be utilized, and costs may be absorbed, although that will depend on the priorities of the legislature and staff time required for competing projects.

Expenditure and/or Revenue Formula

<u>Member Meeting Participation Cost</u>				
Cost Category	FY26	FY27	FY28	FY29
Senate Task Force Member Mtg Participation Cost	0	1,261	0	0
House Task Force Member Mtg Participation Cost	0	1,186	0	0
Total Task Force Member Mtg Participation Cost (rounded)	0	2,000	0	0
Senate Absorbed Meeting Cost	0	(1,261)	0	0
House Absorbed Meeting Cost	0	(1,186)	0	0
Total Absorbed Meeting Cost	0	(2,000)	0	0
Net Total Task Force Member Mtg Participation Cost (rounded)	0	0	0	0
<u>Staffing Cost</u>				
Cost Category	FY26	FY27	FY28	FY29
SCRFA staff support - Counsel & Analyst II, Existing Staff (.01 FTE FY27, cost absorbed by Senate)	0	1,665	0	0
HRD & HFA staff support - Counsel & Analyst II, Existing Staff (.01 FTE FY27, cost absorbed by the House)	0	1,661	0	0
Total Staff Cost (rounded)	0	3,000	0	0
Senate Staff Cost Absorbed	0	(1,665)	0	0
House Staff Cost Absorbed	0	(1,661)	0	0
Total Staff Cost Absorbed (Existing Legislative Staff) (rounded)	0	(3,000)	0	0
Net Staff Cost (New Hires) (rounded)	0	0	0	0
<u>Total Cost</u>				
Cost Category	FY26	FY27	FY28	FY29
Total Task Force Member Mtg Participation Cost (rounded)	0	2,000	0	0
Total Staff Cost (rounded)	0	3,000	0	0

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Total Cost (rounded)	0	5,000	0	0
Total Cost Absorbed (rounded)	0	(5,000)	0	0
Net Total Cost (rounded)	0	0	0	0

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

George Drometer, Minnesota Department of Revenue

Emily Adriaens, House of Representatives

Matt Gehring, House of Representatives

Eric Nauman, Minnesota Senate

Alexis Stangl, Minnesota Senate

Michelle Yurich, Legislative Coordinating Commission

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Fiscal Note

2025-2026 Legislative Session

HF3657 - 0 - Property Tax Task Force Established

Chief Author: **Matthew Norris**
 Committee: **Taxes**
 Date Completed: **4/9/2026 10:21:47 AM**
 Agency: **Secretary of State**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Adam Bolling **Date:** 3/5/2026 12:03:21 PM
Phone: 651-296-6053 **Email:** adam.bolling@lbo.mn.gov

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State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill would create task force to investigate ways to reduce property tax on homestead properties and present options for legislation that would provide property tax relief to homestead properties. Lines 2.16 through 3.3 describe the appointment of the task force's members and their duties.

Assumptions

Minnesota Statutes sections 15.0597 and 15.0599 require the secretary of state to publish notices of vacancies, collect applications assist with appointments, and prepare reports on multimember agencies. As part of this process, the Office of the Secretary of State consults with all multimember agencies on their reporting and appointment requirements.

The Office of the Secretary of State assumes that whenever a new multimember agency is created, work is required by public records staff to set the agency up on the secretary's website and to train the agency staff on how to appoint members to their agency. There is also some staff time spent consulting periodically with multimember agencies throughout the year.

Expenditure and/or Revenue Formula

Board Set-up and Consultation

8 hours of OSS Public Records staff time per new board at an average rate of salary and benefits of \$46.01/hour.

$$\$46.01 \times 8 = \$368.08.$$

Total \$368.08 (FY27)

The Secretary of State is able to absorb the costs identified on a one-off basis, but as more councils, boards, commissions are created each year by the legislature, the Office's capacity to assist all entities in a timely manner will diminish and additional funding may be required. These activities are not anticipated to displace any other work of the office.

Long-Term Fiscal Considerations

None.

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Local Fiscal Impact

N/A

References/Sources

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