

Thursday, August 15, 2013

# Memorandum

**To:** The Honorable Paul Thissen  
Speaker of the Minnesota House of Representatives

**From:** Commissioner Myron Frans  
Minnesota Department of Revenue

**Re:** Response to inquiry related to Executive Branch Advisory Groups by the Legislative Commission on Planning and Fiscal Policy

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The 2013 Legislature enacted changes to the Minnesota Sunset Act which requires the Legislative Commission on Planning and Fiscal Policy (LCPFP) to compile a list of executive branch advisory groups created in statute. This memo outlines responses to your inquiry related to the Executive Branch Advisory Groups that are connected to the Minnesota Department of Revenue.

Our response includes information for the two groups you requested information on including:

- Property Tax Working Group (§270C.991, subd. 4)
- Tax Information Sample Data Committee (§270C.12) as well as the Property Tax Microdata Group (which is an extension of the Tax Information Sample Data Committee governed under §270C.12)

Please feel free to contact our Assistant Commissioner for Tax Policy Susan VonMosch at 651-556-6005 or [susan.vonmosch@state.mn.us](mailto:susan.vonmosch@state.mn.us); or our Legislative Liaison Paul Cumings at 651-556-6205 or [paul.cumings@state.mn.us](mailto:paul.cumings@state.mn.us) with further questions or comments.

**Tax Information Sample Data Committee**

*This committee is governed under Minnesota Statutes §270C.12*

**1) The mission of the group**

Facilitate regular consultation among Revenue, Minnesota Management and Budget, and the staff for the House and Senate Tax Committees in development and maintenance of the computer model used to analyze the microdata samples. The committee shall consider the needs of each of these groups in designing and preparing samples, including the type of data to be included, the structure of the samples, size of the samples, and other relevant factors. This information is for the purposes of estimating state revenues from the biennial budget forecast and analyzing the incidence of present and proposed taxes.

**2) Membership list and whether any compensation is provided to those members**

- Director of the Tax Research Division at the Department of Revenue (chair)
- State Economist
- Chair of the House Tax Committee or the chair's designee
- Chair of the Senate Tax Committee or the chair's designee

**NOTE:** No compensation is provided to members.

**3) The budget of the group**

None

**4) The most recent three meeting dates, including any future meeting dates**

The last three meetings were:

- August 10 2010
- September 7, 2011
- August 29, 2012.

A future meeting is scheduled for August 21, 2013.

**5) A list of any reports or recommendations issued to the state agency, Legislature, or Governor**

- "Study of Alternatives to the Federal Return Attachment for the Individual Income Tax Sample"
  - Report to the House and Senate Tax Chairs and the Commissioner of Finance (January 11, 2001) as required by Laws 2000, Chapter 490, Article 4, Section 34.
  - Study prepared by Revenue in consultation with the Coordinating Committee.
- Sampling Methodology
  - Coordinating Committee participated in a major revision in 2007 with the assistance of statistics professor Dr. Frank B. Martin from the University of Minnesota.
  - The revision improved the quality of information provided in the sample with no significant increase in cost.

**6) A link to the advisory group's website, if available**

None

**Property Tax Microdata Group**

*The Property Tax Microdata Group is an extension of the Tax Information Sample Data Committee (described on page 2 of this memo) and is governed under §270C.12*

**1) The mission of each group**

Coordination of data used for modeling property taxes and state aids to ensure analyses by the House, Senate, and Department are consistent.

**2) Membership list and whether any compensation is provided to those members**

- Department of Revenue, property tax research unit
- House Research and Fiscal staff
- Senate Research and Fiscal staff

**NOTE:** No compensation is provided to members

**3) The budget of each group**

None

**4) The most recent three meeting dates, including any future meeting dates**

The last three meetings were:

- February 16, 2012
- January 18, 2013
- February 22, 2013.

The group will next meet in January or February 2014.

**5) A list of any reports or recommendations issued to the state agency, Legislature, or Governor**

The committee prepares a memo around the time of the February Forecast each year describing the assumptions it will use for projecting local government levy behavior. These memos are shared with the House and Senate tax committees, the Department of Revenue's commissioner's office, and other interested parties upon request.

**6) A link to the advisory group's website, if available**

None.

**Property Tax Working Group**

*This group is governed under Minnesota Statutes § 270C.991, subd.4.*

**1) The mission of the group**

The goals of the working group are:

- To investigate ways to simplify the property tax system and make advisory recommendations on ways to make the system more understandable
- To reexamine the property tax calendar to determine what changes could be made to shorten the two-year cycle from assessment through property tax collection
- To determine the cost versus the benefits of the various property tax components, including property classifications, credits, aids, exclusions, exemptions, and abatements, and to suggest ways to achieve some of the goals in simpler and more cost-efficient ways

**2) Membership list and whether any compensation is provided to those members**

*This was the membership of the group when they concluded in November 2012.*

<b>Member</b>	<b>Title/Organization</b>	<b>Appointed By</b>
Kathleen A. Gaylord (Chair)	Dakota County Commissioner	Association of Minnesota Counties
Rep. Denise Dittrich	Representative	Minnesota House of Representatives
Rep. Greg Davids	Representative	Minnesota House of Representatives
Sen. Rod Skoe	Senator	Minnesota Senate
Sen. Warren Limmer	Senator	Minnesota Senate
R. Thomas Mould	Homeowner (under age 65)	Minnesota Department of Revenue
Eric Sorensen	Homeowner (age 65 or older)	Minnesota Department of Revenue
Luayn Murphy	City Administrator, City of Mayer	League of Minnesota Cities
Rob Vanasek	Vanasek Consulting	Minnesota Association of Townships
Matt Van Slooten	President, Carlson Real Estate Company	Minnesota Chamber of Commerce
Stephen Behrenbrinker	Assessor, City of St. Cloud	Minnesota Association of Assessing Officers
Chris Radatz	Public Policy Director, Minnesota Farm Bureau	Minnesota Farm Bureau and Minnesota Farmer's Union (Joint Appointment)

*The following people served as members at some point during the group's tenure or stood in as alternates.*

<b>Former Members</b>	<b>Title/Organization</b>	<b>Appointed By</b>
Sen. Rick Olseen	Senator	Minnesota Senate
Jason Nord	State Program Admin Dir, Minnesota Revenue	Minnesota Department of Revenue
Cal Larson	Homeowner (age 65 or older)	Minnesota Department of Revenue
David Fricke	Executive Director, MN Association of Townships	Minnesota Association of Townships

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*Cont'd from last page:*

<b>Alternates</b>	<b>Title/Organization</b>	<b>Alternate For:</b>
Rep. Linda Runbeck	Representative	Rep. Davids, Minnesota House of Representatives
Gary Pedersen	Executive Director, MN Association of Townships	Rob Vanasek, Minnesota Association of Townships
Craig Patterson		Matt Van Slooten, Minnesota Chamber of Commerce
Doug Fulton		Matt Van Slooten, Minnesota Chamber of Commerce
Bill Effertz	Assessor	Stephen Behrenbrinker, Minnesota Association of Assessing Officers
Thom Petersen	Government Relations Director, Minnesota Farmer's Union	Chris Radatz, Minnesota Farm Bureau and Minnesota Farmer's Union (Joint Appointment)

**NOTE:** Members served without compensation.

**3) The budget of each group**

None. Members served without compensation. The Commissioner of Revenue provided administrative support.

**4) The most recent three meeting dates, including any future meeting dates**

The last three meetings were:

- September 19, 2012
- October 17, 2012
- November 14, 2012

There are no future meetings planned.

**5) A list of any reports or recommendations issued to the state agency, Legislature, or Governor**

The final report of the Property Tax Working Group was issued on November 30<sup>th</sup>, 2012 and can be found at <http://www.revenue.state.mn.us/propertytax/workgroup/finalreport.pdf>

**6) A link to the advisory group's website, if available**

<http://www.revenue.state.mn.us/propertytax/Pages/workgroup>