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S.F. No. 3882 – Imposing Levy Limits for Certain Cities

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SF 3882 imposes levy limits for cities that have adopted rent control.

Subd.1. Definitions – defines “city,” “commissioner,” “generating operating levy,” “rent control,” and “special levy.”

Subd. 2. Property tax levy limit – provides that, beginning with taxes levied in 2022, a city that has adopted rent control is prohibited from increasing its general operating levy from the prior year by an amount that exceeds the percentage limitation placed on rent increases under the city’s rent control measure. Special levies are not subject to the city’s levy limit imposed under this section.

Subd. 3. Calculation and notification – requires each city that has adopted rent control to provide a copy of the rent control measure to the department of revenue, as well as the amount of taxes the city plans to levy for each special levy purpose. The department of revenue shall make all necessary calculations for determining each city’s levy limit and must notify each city of its levy limit and final allowed special levy amounts. The same information must also be reported to each county auditor. If a city fails to provide the commissioner with all necessary information or if the information submitted is deemed insufficient, the commissioner has the discretion to set the city’s levy limit for all purposes equal to the amount of the city’s certified levy for the prior year.

Effective beginning with taxes levied in 2022.