

MINNESOTA • REVENUE

PROPERTY TAX St. Paul Housing TIF Extended

March 31, 2003

	Yes	No
Separate Official Fiscal Note Requested		
Fiscal Impact		
DOR Administrative Costs/Savings		

Department of Revenue
Analysis of S.F. 387 (Moua) / H.F. 435 (Paymar)

	Revenue Gain or (Loss)			
	F.Y. 2004	F.Y. 2005	F.Y. 2006	F.Y. 2007
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective upon local approval.

EXPLANATION OF THE BILL

Current Law: Laws 2000, Chapter 490, Article 11, Section 40, authorized the housing and redevelopment authority (HRA) of the City of St. Paul to establish a TIF housing district in the northeast quadrant of downtown and granted exemptions to Minnesota Statutes 469.174, subd. 11, and 469.1761, governing TIF housing districts. In general, housing districts do not qualify if more than 20% of the total fair market value of the planned improvements are for uses other than low or moderate income housing. The 2000 law granted an exception for the City of St. Paul, providing that 20% of the units in the district must be occupied by individuals whose family income is equal to or less than 50% of the area median gross income and an additional 60% of the units must be occupied by individuals whose family income is equal to or less than 115% of the area median gross income. Twenty percent of the units would not be subject to any income limitations.

Proposed Law: The City of St. Paul HRA would be allowed to expand the application of the 2000 law to include additional housing districts throughout the City of St. Paul.

REVENUE ANALYSIS DETAIL

- The proposal allows the City of St. Paul HRA to create additional housing districts under the income exceptions granted in the 2000 law, potentially expanding the net tax capacity captured in housing TIF districts.

Department of Revenue
Analysis of S.F. 387 (Moua) / H.F. 435 (Paymar)
Page two

March 31, 2003

Number of Taxpayers Affected: All taxpayers in the City of St. Paul would be affected.

Source: Minnesota Department of Revenue
Tax Research Division
<http://www.taxes.state.mn.us/polic.html#analyses>

sf0387(hf0435)-1 / jb