

# MINNESOTA • REVENUE

## PROPERTY TAX Small City TIF Districts

April 3, 2006

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F. 3186 (Skoe) / H.F. 3524 (Welti)

The bill changes a current restriction requiring small cities of less than 5,000 population to be ten miles or more from a city of 10,000 population to qualify for economic development tax increment financing (TIF) districts. The distance restriction is changed so that only small cities that about a city of 10,000 population are not eligible.

An additional 113 small cities would be eligible for economic development TIF districts.

A few new TIF districts may an impact on the local tax base and tax rate in the future and may result in a small increase in property tax refunds paid by the state.

Source: Minnesota Department of Revenue  
Tax Research Division  
[http://www.taxes.state.mn.us/taxes/legal\\_policy](http://www.taxes.state.mn.us/taxes/legal_policy)

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