

MINNESOTA • REVENUE

PROPERTY TAX Cottage Grove TIF

March 18, 2010

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3683 (Bigham) / S.F. 3286 (Sieben)

The bill allows the city of Cottage Grove to extend the duration of Redevelopment Tax Increment Financing (TIF) District No. 12, for the first year of receipt of increment, for up to nine years following approval of the district. The five year rule for activities to begin is also extended to ten years. The parcels are deemed to be occupied if a building on the parcel is demolished. Any successor district also starts up to ten years after the date of demolition on the parcel. Local approval is required.

The proposed exemptions to the general TIF provisions may have 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
Property Tax Division – Research Unit
http://www.taxes.state.mn.us/taxes/legal_policy

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