

MINNESOTA • REVENUE

PROPERTY TAX Economic Development Districts Modification

March 30, 2010

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 3289 (Rest) / H.F. 3740 (Lanning)

The bill removes a restriction for economic development districts. The districts would no longer have to fulfill the requirements of a redevelopment tax increment financing (TIF) district. These restrictions include 70% of the area of the district must be occupied by structures, and half of the buildings must be structurally substandard. Effective upon final enactment.

The proposed modification to the general economic development 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

sf3289(hf3740)_pt_1/lm