

# MINNESOTA • REVENUE

February 24, 2012

## PROPERTY TAX Apple Valley TIF Extension

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 1676 (Gerlach) / H.F. 2090 (Mack) as introduced

The bill allows the city of Apple Valley to use tax increment financing (TIF) to provide improvements, loans, subsidies, grants, interest rate subsidies, or other assistance to developments if all the following criteria are met. The project must create or retain jobs, would not commence before July 1, 2013 without TIF, request certification before June 30, 2013, construction begins no later than July 1, 2013, and housing construction begins no later than December 31, 2012.

The bill also allows the city to spend tax increments under temporary construction authority for one more year until December 31, 2013. Effective day following final enactment.

The proposed changes 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 change in property tax refunds paid by the state.

### PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

*Transparency, Understandability, Simplicity & Accountability*      Neutral

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*Efficiency & Compliance*      Neutral

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*Equity (Vertical & Horizontal)*      Neutral

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*Stability & Predictability*      Neutral

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*Competitiveness for Businesses*      Neutral

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*Responsiveness to Economic Conditions*      Neutral

*The bill is scored on a three point scale (decrease, neutral, increase) for each principle in comparison to current law.*

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

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