

MINNESOTA • REVENUE

February 24, 2012

PROPERTY TAX

Apple Valley TIF District Creation

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 1677 (Gerlach) / H.F. 2089 (Bills) as introduced

The bill allows the city of Apple Valley or its economic development authority to create one or more redevelopment tax increment financing (TIF) districts from the listed parcels. The project will be referred to as the Mining Reclamation Project Area. Requirements for qualifying redevelopment districts (such as vacant and substandard housing percentages) do not apply. The limitations on spending increments outside the district boundaries do not apply, but must be expended in the area defined by the listed parcels. The five year rule for activity to commence after certification does not apply. The authority under this bill expires December 31, 2022. Effective upon local approval.

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

Efficiency & Compliance Neutral

Equity (Vertical & Horizontal) Neutral

Stability & Predictability Neutral

Competitiveness for Businesses Neutral

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

sf1677(hf2089)_pt_1/lam