

MINNESOTA • REVENUE

PROPERTY TAX

Modification of TIF Expenditures Outside the District

February 24, 2012

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 2016 (Kruse) as introduced

The bill modifies the clause in tax increment financing (TIF) statute defining increment expenditures outside the district. The market value of housing definition is modified to include a written certification from a county or city assessor upon completion of construction or rehabilitation as to the parcel's market value. The foreclosure clause is modified to include the expiration of any applicable redemption period for foreclosures under M.S. 580, 581, or 582.

Effective for all TIF districts under this statute regardless of when certified.

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

sf2016_pt_1/lam