

# MINNESOTA • REVENUE

February 27, 2012

## PROPERTY TAX Dakota County TIF

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue  
Analysis of S.F. 2040 (Metzen) as introduced

The bill allows the Dakota County Community Development Authority to establish a redevelopment tax increment financing (TIF) district. The parcels are identified. The new district terminates no later than December 31, 2027. Requirements in statute for redevelopment districts do not apply. Increments may be spent on decorative or aesthetic purposes. Increments may be used for park, recreational, social, or conference purposes. The original tax capacity of the district is specified as \$93,239. Increments may be expended for any eligible activity within the redevelopment area. The captured net tax capacity (NTC) of the district must be included in the adjusted NTC of city, county, and school district for the purposes of determining local government aid (LGA), education aid, and county program aid (CPA). Effective following local approval.

The proposed exceptions 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.

Total LGA and CPA would remain the same as current law.

### 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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