

MINNESOTA • REVENUE

March 02, 2012

PROPERTY TAX Canby TIF

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of H.F. 2492 (Falk) / S.F. 2149 (Kubly) as introduced

The bill allows the city of Canby to create a new tax increment financing (TIF) district, whose boundaries are described. The bill states the original tax capacity as zero, and requirements for computing the original tax rate do not apply. The duration of the district is the lesser of 20 years, or the year after \$175,000 has been collected in increment revenues. The city may use increments to pay principal and interest on bonds for TIF district 1-21. Effective following local approval.

The proposed modifications 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

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