March 14, 2012

PROPERTY TAX
St. Cloud TIF #2

	Yes	No
DOR Administrative Cost/Savings		x

Department of Revenue
Analysis of S.F. 2437 (Pederson) / H.F. 2848 (Banaian) as introduced

The bill allows the city of St. Cloud's economic development authority to use tax increments from tax increment financing (TIF) district number two within the Central Urban Renewal Project area of the city. Eligible expenditures are for public infrastructure improvements, and are endorsed to be in compliance with applicable law. Any funds remaining in TIF district number two must be expended by December 31, 2015, or distributed as excess increment. 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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