MINNESOTA · REVENUE

February 15, 2013

PROPERTY TAX
TIF Compact Development District

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue
Analysis of H.F. 0606 (Dehn, R.) as introduced

EXPLANATION OF THE BILL

The bill repeals the June 30, 2012 sunset for establishing compact economic development districts. It also expands the criteria for establishing a compact development district to include apartment property and to include districts where parcels are within a half mile of a light rail, commuter rail or bus rapid transit line operated by the Metropolitan Council. Effective June 30, 2013. The uses of increment are expanded to include improvements around transit lines.

REVENUE ANALYSIS DETAIL

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
www.revenue.state.mn.us/research_stats/
pages/revenue-analyses.aspx

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