

MINNESOTA • REVENUE

March 15, 2013

PROPERTY TAX Forest Lake EDA and TIF

	Yes	No
DOR Administrative Cost/Savings		x

Department of Revenue
Analysis of H.F. 1437 (Dettmer) / S.F. 1329 (Housley) as introduced

EXPLANATION OF THE BILL

The bill allows the city of Forest Lake and the Forest Lake Economic Development Authority to extend the duration of and collect tax increments from tax increment financing (TIF) district #21 through December 31, 2025. All increments received after December 31, 2015 must be used to pay costs that are related to redevelopment of specified parcels, and otherwise be eligible to be paid with increments from the TIF district. The provisions are subject to local approval.

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)

<i>Transparency, Understandability, Simplicity & Accountability</i>	Neutral
<i>Efficiency & Compliance</i>	Neutral
<i>Equity (Vertical & Horizontal)</i>	Neutral
<i>Stability & Predictability</i>	Neutral
<i>Competitiveness for Businesses</i>	Neutral
<i>Responsiveness to Economic Conditions</i>	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](http://www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx)

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