

MINNESOTA • REVENUE

March 08, 2013

PROPERTY TAX

Apple Valley TIF

	Yes	No
DOR Administrative Cost/Savings		x

Department of Revenue

Analysis of S.F. 0846 (Clausen) as introduced.

EXPLANATION OF THE BILL

The bill allows the city of Apple Valley to use tax increment financing (TIF) to provide improvements, loans, subsidies, grants, interest rate subsidies, or other assistance to developments consisting of buildings and ancillary facilities if all the following criteria are met. The project must create or retain jobs, would not commence before July 1, 2014 without TIF, request certification before June 30, 2014, construction begins no later than July 1, 2014, and housing construction begins no later than December 31, 2013.

The bill also allows the city to spend tax increments under temporary construction authority until December 31, 2014. Effective day following final enactment.

REVENUE ANALYSIS DETAIL

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)

<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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