

MINNESOTA • REVENUE

April 11, 2013

PROPERTY TAX Transit Improvement TIF

	Yes	No
DOR Administrative Cost/Savings		x

Department of Revenue

Analysis of H.F. 0617 (Hornstein) / S.F. 1440 (Champion) as introduced

EXPLANATION OF THE BILL

The bill defines a new type of tax increment financing (TIF) district for transit improvement. Transit improvement districts must lie within one-half mile of a qualifying transit line. Development must increase the effectiveness of the transit line. Street car lines, light rail, commuter rail, or bus rapid transit lines qualify. Transit improvement districts have a 25 year duration.

The TIF authority may spend tax increments on transit stations, related green space, streetscape improvements, para-transit or circulator systems, improvement loans, operating, capital, or mitigation costs.

Effective for requests for certification made after June 30, 2013.

REVENUE ANALYSIS DETAIL

The new transit districts 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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