March 06, 2014

PROPERTY TAX

St. Paul; authority to spend tax increments expanded

	Yes	No
DOR Administrative Cost/Savings		**X**

Department of Revenue

Analysis of H.F. 2450 (Mahoney) / S.F. 2216 (Hawj) as introduced.

Property tax section effective for taxes payable 2014 and thereafter.

EXPLANATION OF THE BILL

The bill allows the city of St. Paul to spend tax increment financing (TIF) district increments to pay principal and interest on RiverCentre Arena bonds issued in 2009. Effective upon local approval.

REVENUE ANALYSIS DETAIL

- $65.5 million of RiverCentre bonds were sold in 2009.
- 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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