

MINNESOTA • REVENUE

PROPERTY TAX

Baxter tax increment financing district parcels added

March 24, 2014

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of H.F. 3024 (Ward, J.A.) / S.F. 2743 (Ruud) as introduced.

Property tax section effective for taxes payable 2014 and thereafter.

EXPLANATION OF THE BILL

The bill makes several changes to the city of Baxter's Isle Drive tax increment financing (TIF) district. Additional specified parcels may be added to the Isle Drive TIF district, and the original net tax capacity increased. Building permit adjustments to the original net tax capacity for planned improvements are not required for the additional parcels. The tax increment from any portion of the district may pay for allowable expenses. The TIF plan must be updated by the city, and the original certification date for the entire district remains December 30, 2011.

Effective upon local approval.

REVENUE ANALYSIS DETAIL

The proposed changes to 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

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