

**PROPERTY TAX
Duluth TIF Districts Authorized**

March 28, 2023

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 1776 (McEwen) as proposed to be amended by SCS1775A-1

	Fund Impact			
	F.Y. 2024	F.Y. 2025	F.Y. 2026	F.Y. 2027
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective following local approval.

EXPLANATION OF THE BILL

Under current law, the city of Duluth or the Duluth Economic Development Authority is allowed to create one tax increment financing (TIF) district within a defined area. The district established under this authority has special rules removing the limitations on property eligible to be in a redevelopment district and removing restrictions on eligible expenditures.

The proposal would expand the current authority to allow Duluth or the Duluth Economic Development Authority to create more than one TIF district in that defined area. The proposal would also allow the duration of any district established under its authority to be extended by ten years.

REVENUE ANALYSIS DETAIL

- The proposed changes to this special TIF provision 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.

Source: Minnesota Department of Revenue
Property Tax Division – Research Unit
<https://www.revenue.state.mn.us/revenue-analyses>

sf1776(hf1871) TIF Duluth_pt_2/wms