

**PROPERTY TAX
Minnetonka Special TIF
Rules Provided**

April 16, 2024

Department of Revenue
Analysis of H.F. 4771 (Acomb) / S.F. 5061 (Cwodziński) as introduced

	Yes	No
DOR Administrative Costs/Savings		X

Fund Impact

	<u>F.Y. 2024</u>	<u>F.Y. 2025</u>	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective following local approval.

EXPLANATION OF THE BILL

The proposal would provide special rules to the renewal and renovation tax increment financing (TIF) district established in 2021 by the city of Minnetonka and its Economic Development Authority. The special rules for the district would include:

- Excluding the district from rules on the share of increment that must be spent for blight correction,
- Providing a list of eligible expenditures within the district,
- Extending the five-year rule for development activity to commence to ten years, and
- Excluding the district from the six-year rule on when districts must be decertified.

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>

hf4771(sf5061) Minnetonka TIF_pt_2/wms