

**PROPERTY TAX
Repeal TIF Renewal and
Renovation Districts, Modify
TIF Redevelopment Districts**

February 14, 2025

Department of Revenue
Analysis of S.F. 7 (Rest) as introduced

	Yes	No
DOR Administrative Costs/Savings		X

Fund Impact

	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective for districts for which the request for certification was made after June 30, 2025.

EXPLANATION OF THE BILL

Current law allows several different types of tax increment financing (TIF) districts, including renewal and renovation districts and redevelopment districts. Renewal and renovation districts are used to redevelop areas with substandard buildings and obsolete land uses. Their duration is limited to 15 years after the receipt of first increment. Redevelopment districts are used to redevelop blighted areas. Their duration is limited to 25 years after the receipt of first increment.

The proposal would combine these two types of TIF districts. It would eliminate renewal and renovation TIF districts and instead include them in the definition of redevelopment TIF districts. The proposal would set the duration limit of redevelopment districts to 20 years after the receipt of first increment.

REVENUE ANALYSIS DETAIL

- The proposed changes to the general TIF provisions would have no impact on the state general fund.

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

sf0007 TIF Redevelopment District Modifications_pt_1/wms