

**PROPERTY TAX
Clarifying Uses of
Unobligated TIF Increment**

February 14, 2025

Department of Revenue
Analysis of S.F. 23 (Rest) as introduced

	Yes	No
DOR Administrative Costs/Savings		X

Fund Impact

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

Effective beginning the day following final enactment.

EXPLANATION OF THE BILL

Under current law, there are rules regarding the transfer of unobligated tax increment financing (TIF) increment. The proposal would clarify that all transferred increments must be spent, loaned, or invested by December 31, 2025 or else they must be returned to the district. The proposal also defines what is included in the requirement to return increment to the district.

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>

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