

**PROPERTY TAX
Various TIF Provisions for
Brooklyn Park**

April 7, 2025

Department of Revenue

Analysis of H.F. 2777 (Vang) / S.F. 3009 (Hoffman) 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 following local approval.

EXPLANATION OF THE BILL

Brooklyn Boulevard/West Broadway Area TIF Authority (Section 1)

The proposal would allow the city of Brooklyn Park or its economic development authority to establish one or more redevelopment tax increment financing (TIF) districts within a defined area. Any districts established under this authority would have special rules that apply that would exclude it from requirements for establishing a redevelopment district, allow increment to be spent on a number of expenditures outside the current rules for redevelopment districts, exclude the districts from rules on requirement for agreements, and exclude the districts from all five-year rule requirements.

610/Zane Area TIF Authority (Section 2)

The proposal would allow the city of Brooklyn Park or its economic development authority to establish one or more redevelopment tax increment financing (TIF) districts within a defined area. Any districts established under this authority would have special rules that apply that would exclude it from requirements for establishing a redevelopment district, allow increment to be spent on a number of expenditures outside the current rules for redevelopment districts, exclude the districts from rules on requirement for agreements, and exclude the districts from all five-year rule requirements.

Biotech Area TIF Authority (Section 3)

The proposal would allow the city of Brooklyn Park or its economic development authority to establish one or more redevelopment tax increment financing (TIF) districts within a defined area. Any districts established under this authority would have special rules that apply that would exclude it from requirements for establishing a redevelopment district, allow increment to be spent on a number of expenditures outside the current rules for redevelopment districts, exclude the districts from rules on requirement for agreements, and exclude the districts from all five-year rule requirements. The authority to request certification of any district under this proposal expires December 31, 2044.

TIF Authority for Districts No. 18, No. 20, and No. 3 (Section 4)

The proposal would allow TIF Districts Nos. 18 and 20 in the city of Brooklyn Park to collect increment for 25 years after the date of receipt of the first increment. Any increment received by the economic development authority from these districts would not have to be returned to Hennepin County for redistribution and could be transferred to the account for TIF District No. 3. Increment transferred to the TIF District No. 3 account would be subject to the rules for that TIF district and is excluded from rules on expenditures outside the district.

REVENUE ANALYSIS DETAIL

- The proposed changes to these special 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.

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

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