

**Tax Increment Financing Proposals
2022 Legislative Session**

<u>SF</u>	<u>City</u>	<u>Type of District</u>	<u>Dates</u>	<u>Legislative Request</u>	<u>History</u>	<u>Notes</u>
SF 2976 Kent HF 2700 Sandell	Woodbury	Housing TIF #13 Quarry Ridge Senior Housing – Stonecrest of Woodbury	<u>Certified:</u> 11/28/2000 <u>Required Decertify:</u> 12/31/2026	Woodbury seeks approval to: <ol style="list-style-type: none"> 1. expend increment generated from TIF District #13 for maintenance, and facility and infrastructure upgrades to the city’s Central Park; and 2. extend the duration of TIF District #13 by five years. The request to expend increment on Central Park is effective upon city approval. The request to extend the duration of the district is effective upon city, county, and school district approval.	n/a	Under current law, housing districts are 25-year districts (increment can be collected 25 years from the date of receipt by the authority of the first increment). Increment from a housing district can only be used for: (1) financing costs of housing projects; (2) costs of public improvements directly related to the housing project; and (3) administrative expenses.
SF 2696 Johnson Stewart HF 2775 Klevorn	Plymouth	Redevelopment	n/a	Plymouth seeks authorization to establish one redevelopment district within a defined area. If established, the following special rules apply: <ol style="list-style-type: none"> 1. The district is exempt from the “blight test” requirement for establishing redevelopment districts; 2. The district is exempt from the requirement that 90% of increment be used to finance costs of correcting conditions that allowed for redevelopment district designation; 		The five-year rule requires activity occur before or within five years after certification of the district. Beginning in the sixth year, if the in-district percentage of increment exceeds in-district obligations, the excess must be used to pay or defease bonds and contracts meeting the five-year test.

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				<p>3. The 5-year rule is extended to 10 years; and</p> <p>4. Allows increment generated from the district to be used on improvements to Hennepin County Road 47, outside the project area, and such expenditures are deemed in-district expenses.</p> <p>The authority to approve a district expires on December 31, 2029.</p> <p>Effective upon city approval.</p>		
<p>SF 3159 Nelson</p> <p>No House File</p>	n/a	Economic Development	n/a	<p>SF 3159 proposes a general law change that would allow increment generated from an economic development district to be spent on a multilevel commercial facility in a small city provided that the square feet of the first floor only does not exceed 15,000 square feet. “First floor” is defined as the floor at street level.</p> <p>Effective for districts for which the request for certification was made after December 31, 2021.</p>		<p>Economic development districts are 8-year districts and used to expand employment and preserve or enhance the local tax base.</p> <p>Increment generated from districts can be used to assist manufacturing, warehousing, storage and distribution, research and development, telemarketing, tourism, and workforce housing.</p> <p>Increment cannot be used for commercial development unless the development is 15,000 square feet or less and located in a small city. A “small city” is any city with a population of 5,000 or less and located ten miles or more from a Minnesota city with a population of at least 10,000.</p>

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SF 3160 Nelson	Chatfield	Economic Development		<p>Chatfield seeks authorization to establish an economic development district to construct a multilevel hotel in a defined area, provided that the first floor of the hotel does not exceed 15,000 square feet. “First floor” is defined as the floor at street level where the public is permitted to enter and exit.</p> <p>Effective upon city approval.</p>		<p>Economic development districts are 8-year districts and used to expand employment and preserve or enhance the local tax base.</p> <p>Increment generated from districts can be used to assist manufacturing, warehousing, storage and distribution, research and development, telemarketing, tourism, and workforce housing.</p> <p>Increment cannot be used for commercial development (retail) unless the development is 15,000 square feet or less and located in a small city. A “small city” is any city with a population of 5,000 or less and located ten miles or more from a Minnesota city with a population of 10,000 or more.</p>

<p>SF 3498 Pratt</p> <p>No House File</p>	<p>Shakopee</p>	<p>Various</p>	<p>n/a</p>	<p>Shakopee seeks authorization to establish various districts (until December 31, 2026) in a defined area under special rules. Before establishing a district, the city must find that 70% of the defined area has peat or geotechnical deficiencies, landfills, dumps, quarries, floodways, substandard buildings, or that substantial fill is needed for commercial development.</p> <p>Any type of district can be established under this authorization, other than an economic development or housing district, and if established, the following special rules apply:</p> <ol style="list-style-type: none"> 1. The 5 and 6-year rules are extended by five years; 2. The pooling percentage is increased to 80% provided increment is spent within the defined project area; and 3. A new 20- year “soil deficiency district” may be established if 80% of the area has soil or terrain difficulties with estimated correction costs exceeding fair market value of the property. Increment may be spent on parcel acquisition, terrain or soil deficiency correction and related public improvements, and administrative expenses. <p>Effective upon city approval.</p>	<p>The legislature enacted similar authorizations for the city of Apple Valley in 2013 and the cities of Maple Grove and Savage in 2014.</p>	
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SF 3970 Port HF 4127 J. Hanson	Savage TIF District #11	Soil Conditions	<u>Certified:</u> 6/30/2016 <u>Required Decertify:</u> 12/31/2039	Savage seeks authorization to: <ol style="list-style-type: none"> 1. Extend the five-year rule by an additional three years; and 2. Allow the district three additional years to enlarge the geographic area of the district. Effective upon city approval.	In 2014, the legislature authorized Savage to establish multiple TIF districts in a gravel pit (similar to Maple Grove and Savage’s 2014 authorization, and this year’s request for Shakopee).	Under current law, the geographic area of a TIF district can be reduced, but not enlarged, after five years following the date of certification of the district.
SF 3980 Latz HF 4082 Youakim	Hopkins TIF 2-11 Super Valu - Excelsior Crossings	Redevelopment	<u>Certified:</u> 4/5/1999 <u>Required Decertify:</u> 12/31/2029	Hopkins seeks the following two changes to existing special law: <ol style="list-style-type: none"> 1. Increasing the total permitted pooling by five percent, from 25% to 30%; and 2. Eliminating the 20% limitation on pooling for housing or redevelopment activities. Effective upon local approval.	2003 – legislature authorized a four-year duration extension (to 2029), prohibited pooling except for administrative expenses, and extended the 5-year rule to 9 years. 2008 – legislature authorized pooling for housing activities provided that expenditures do not exceed 20% of the total tax increment from the district. 2019 – legislature expanded eligible pooling by allowing blight correction in addition to housing projects; limited administrative expensed to 10%; and limited the total amount of pooling to 25%.	

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SF 4470 - A-1 Delete Everything Amendment Kunesh HF 4297 Bernardy	Fridley TIF District #20	R4/18/2022 4:26 PMedevlopment	<u>Certified:</u> 11/5/2013 <u>Required</u> <u>Decertify:</u> 12/31/2038	Fridley seeks authorization to transfer up to 25% of increment from TIF District #20 to the city’s Housing and Redevelopment Authority to be expended on housing programs adopted by the Authority on or prior to December 31, 2021. The authority to transfer increment expires December 31, 2026. Increment transferred under this authorization is subject to all TIF reporting requirements, and the city must report to the legislature, by February 1, 2024 and February 1, 2026, detailed information relating to each program financed with increment pursuant to this authorization. Effective upon local approval.		Current law allows redevelopment districts to pool up to 25% of increment collected from the district on activities outside the district but within the project area. An authority may also elect to increase pooling by an additional ten percent if the increment is used for qualified low-income housing.