

**PROPERTY TAX
Amending special rules for
Hopkins TIF**

March 28, 2023

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of S.F. 198 (Latz) as proposed to be amended by SCS0198A-1

	Fund Impact			
	F.Y. 2024	F.Y. 2025	F.Y. 2026	F.Y. 2027
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective following local approval.

EXPLANATION OF THE BILL

Under current law, special rules apply to redevelopment tax increment financing (TIF) district 2-11 in the city of Hopkins. The district can use increment on housing or redevelopment activities as long as they do not exceed 20 percent of the total increments from the district. The total amount of increment allowed to be spent on activities outside the district is 25 percent.

The proposal would increase the limitation on using increment on housing or redevelopment activities to 25 percent of total increments. The proposal would also increase the total amount of increment allowed to be spent on activities outside the district to 28 percent.

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>

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