



## **S.F. No. 7 – Tax Increment Financing; Modifying Eligibility for Redevelopment Districts; Repealing Renewal and Renovation Districts; Shortening Duration Limits**

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**SF 7** makes several changes to tax increment financing general law by combining the findings required to establish a redevelopment and renewal and renovation district, repealing the renewal and renovation district, shortening the duration of a redevelopment district, and repealing certain limitations on use of increment.

**Section 1. Redevelopment district.** Modifies the “blight test” requirements to establish a redevelopment district by incorporating into the test the findings required under current law to establish a renewal and renovation district. The blight test for redevelopment districts requires that at least 70% of the area of the district be occupied by buildings, streets, utilities, or parking lots, and more than 50% of the buildings are structurally substandard requiring renovation or clearance. A renewal and renovation district has a similar but looser blight requirement—at least 20% of the buildings be structurally substandard and at least 30% of the other buildings require substantial renovation or clearance—and is typically for inappropriate or obsolete land use. Under the proposal, a redevelopment district may now be established using either blight finding requirement. Effective for districts for which the request for certification was made after June 30, 2025.

**Section 2. Municipality approval.** Makes technical cross-reference changes reflecting the proposed repeal of renewal and renovation districts and modification to the blight test. Effective for districts for which the request for certification was made after June 30, 2025.

**Section 3. Modification of plan.** Makes technical cross-reference changes reflecting the proposed repeal of renewal and renovation districts and modification to the blight test. Effective for districts for which the request for certification was made after June 30, 2025.

**Section 4. Duration limits; terms.** Reduces, from 25 years to 20 years, the duration limit of a redevelopment district, and repeals the duration limit for renewal and renovation districts since the authority to establish and renewal and renovation district is repealed in Section 8. Under current law, a renewal and renovation district have a district duration of 15 years. Effective for districts for which the request for certification was made after June 30, 2025.

**Section 5. Expenditures outside district.** Makes a technical cross-reference change to reflect the repeal of the “90%” limitation rule relating to increment generated from a redevelopment district. Effective for districts for which the request for certification was made after June 30, 2025.

**Section 6. Pooling permitted for deficits.** Makes a technical cross-reference change to reflect the repeal of the “90%” limitation rule relating to increment generated from a redevelopment district. Effective for districts for which the request for certification was made after June 30, 2025.

**Section 7. Original net tax capacity.** Makes a technical cross-reference change to reflect the modification of the ‘blight test.’ Effective for districts for which the request for certification was made after June 30, 2025.

**Section 8. Repealer.** Repeals the following:

1. Renewal and renovation districts since the district finding requirements have been combined into the requirements to establish a redevelopment district; and
2. The requirement that 90% of increment generated from a redevelopment district be used to correct blight conditions.

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