



February 17, 2025

Dear Chair Rest and Members of the Senate Taxes Committee:

Thank you for the opportunity to comment on SF 007-Rest, which modifies laws governing Renewal and Renovation Tax Increment Financing (TIF) districts, as well as Redevelopment TIF districts, for districts established after June 30, 2025. Metro Cities appreciates the longstanding work by Chair Rest on tax increment financing laws and policy.

Metro Cities recognizes TIF as a primary tool to assist cities in economic development, redevelopment and housing projects, particularly as other resources have shrunk over time.

Metro Cities generally is concerned with language in SF 007 that would decrease the duration of redevelopment districts from 25 to 20 years. While many cities decertify districts ahead of required timelines, others need additional time to ensure a successful completion of projects. Rising inflation, interest rates, labor shortages, and other constraints are also creating a need for additional time for some projects to reach completion.

As modifications to tax increment financing laws are considered, Metro Cities would also encourage the committee's consideration of additional changes that may help reduce the need for special legislation, including extending the five-year rule to 10 years, and modifying the definition of structurally substandard structures to fifty percent.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Patricia Nauman'.

Patricia Nauman  
Executive Director