

S.F. No. 23 – Tax Increment Financing; Clarifying Uses of Unobligated Increment

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In 2021, a temporary general law change authorized TIF authorities to transfer unobligated tax increment to provide loans, interest rate subsidies, or other assistance to private development consisting of construction or substantial rehabilitation of buildings if doing so would create or retain jobs, and construction commenced before December 31, 2025. The authority to transfer increment expired on December 31, 2022, and all transferred increment must be spent by December 31, 2025, or returned to the district.

SF 23 clarifies that transferred increment must be spent, loaned, or invested by December 31, 2025, and further clarifies that the requirement to return increment includes proceeds, principal, and interest received on loans of transferred increment, interest or investment earnings on transferred increment, or other repayments or returns of transferred increment that remain in the funds of accounts on December 31, 2025, or are subsequently received by the authority.

Effective the day following final enactment.

