

**PROPERTY TAX
Economic Development TIF
District Limitation Modified**

March 7, 2023

Department of Revenue
Analysis of H.F. 978 (Davids) / S.F. 1436 (Nelson) as introduced

	Yes	No
DOR Administrative Costs/Savings		X

Fund Impact

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

Effective for districts for which the request for certification was made after December 31, 2021.

EXPLANATION OF THE BILL

Under current law, small cities may use tax increment financing (TIF) revenues to provide assistance for up to 15,000 square feet of any separately owned commercial facility located within the municipal jurisdiction. The proposal would clarify that, if that facility is multi-level, the limitation to 15,000 square feet applies only to the first floor.

REVENUE ANALYSIS DETAIL

- The proposed changes to the general TIF provisions would have no impact on the state general fund.

Source: Minnesota Department of Revenue
Property Tax Division – Research Unit
<https://www.revenue.state.mn.us/revenue-analyses>

hf0978(sf1436) TIF Economic Development_pt_1/wms