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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1285

02/06/2023 Authored by Lislegard and Wolgamott The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; removing income restrictions for tax increment financing
1.3 housing districts in nonmetropolitan counties; amending Minnesota Statutes 2022,
1.4 section 469.1761, subdivision 1.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2022, section 469.1761, subdivision 1, is amended to read:

1.7 Subdivision 1. Requirement imposed. (a) In order for a tax increment financing district
1.8 to qualify as a housing district:

1.9 (1) the income limitations provided in this section must be satisfied if the district is
1.10 located in a metropolitan county as defined by section 473.121, subdivision 4; and

1.11 (2) no more than 20 percent of the square footage of buildings that receive assistance
1.12 from tax increments may consist of commercial, retail, or other nonresidential uses.

1.13 (b) The requirements imposed by this section apply to property receiving assistance
1.14 financed with tax increments, including interest reduction, land transfers at less than the
1.15 authority's cost of acquisition, utility service or connections, roads, parking facilities, or
1.16 other subsidies. The provisions of this section do not apply to districts located in a targeted
1.17 area as defined in section 462C.02, subdivision 9, clause (e).

1.18 (c) For purposes of the requirements of paragraph (a), the authority may elect to treat
1.19 an addition to an existing structure as a separate building if:

1.20 (1) construction of the addition begins more than three years after construction of the
1.21 existing structure was completed; and

- 2.1 (2) for an addition that does not meet the requirements of paragraph (a), clause (2), if it
- 2.2 is treated as a separate building, the addition was not contemplated by the tax increment
- 2.3 financing plan which includes the existing structure.