

**PROPERTY TAX
Establishing special rules for
Fridley TIF**

March 22, 2022

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 4297 (Bernardy) as introduced

Fund Impact

	<u>F.Y. 2022</u>	<u>F.Y. 2023</u>	<u>F.Y. 2024</u>	<u>F.Y. 2025</u>
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective following local approval.

EXPLANATION OF THE BILL

The proposal would allow the city of Fridley or its development authority to spend increments from Tax Increment Financing (TIF) District No. 20 on grant and loan programs for housing outside the district until December 31, 2038. Increment could only be spent on housing programs adopted on or prior to December 31, 2021. Additionally, the five-year rule on activity within the district and the six-year rule on use of revenues for decertification would not apply to Fridley TIF District No. 20. The district would only be required to report the total amount expenditures under this proposed authority. The authority under this proposal would expire December 31, 2022.

REVENUE ANALYSIS DETAIL

- The proposed changes to this special TIF provision may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

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

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