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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2839

03/26/2025

Authored by Jones
The bill was read for the first time and referred to the Committee on Taxes

1.1

A bill for an act

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relating to taxation; tax increment financing; authorizing special rules for the city

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of Minneapolis.

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

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Section 1. CITY OF MINNEAPOLIS; TAX INCREMENT FINANCING

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AUTHORITY.

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Subdivision 1. Establishment. Under the special rules in subdivision 2, the housing and

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redevelopment authority of the city of Minneapolis may establish not more than three

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redevelopment tax increment financing districts, consisting of parcels, wholly within the

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"downtown" defined as downtown taxing district under Laws 1986, chapter 400, section

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44, as amended by Laws 1995, chapter 264, article 2, section 39, and Laws 2009, chapter

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88, article 4, section 13, together with adjacent roads and rights-of-way.

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Subd. 2. Special rules. (a) If the authority establishes any tax increment district under

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this section, the following special rules apply:

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(1) provided the authority finds by resolution that at least 50 percent of the buildings in

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the district require substantial renovation or clearance to remove existing conditions such

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as inadequate street layout; incompatible uses or land use relationships; overcrowding of

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buildings on the land; buildings with significant vacancy rates; underused or inappropriately

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used buildings; obsolete buildings not suitable for commercial use; or other identified hazards

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to the health, safety, and general well-being of the community, the districts are deemed to

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meet all the requirements of Minnesota Statutes, section 469.174, subdivision 10;

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(2) parcels in the district may be noncontiguous;

(3) notwithstanding Minnesota Statutes, section 469.176, subdivision 4l, tax increment from a district may be used to clear buildings described in clause (1) for open space or a commons area used as a public park;

(4) the requirements, limitations, or restrictions under Minnesota Statutes, section 469.1763, subdivisions 2 and 3, do not apply to any expenditure for, or payment of bonds issued to finance, activities within the area described in subdivision 1;

(5) the requirements, limitations, or restrictions under Minnesota Statutes, sections 469.175, subdivision 3, paragraph (b), clause (2), item (ii); 469.176, subdivision 6; and 469.1763, subdivision 4, do not apply; and

(6) the auditor shall certify the value of the land as the original tax capacity for any parcel in the district under Minnesota Statutes, section 469.177, subdivision 1.

(b) Except as otherwise provided in paragraph (a), the provisions of Minnesota Statutes, sections 469.174 to 469.1794, apply to districts established under this section.

Subd. 3. **Expiration.** The authority to request certification of districts under this section expires June 30, 2030, unless the city has requested certification of at least one district by that date. The authority to request certification of any district under this section expires June 30, 2034.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Minneapolis and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.