

**PROPERTY TAX  
Criteria Expanded for TIF  
Redevelopment Districts**

March 31, 2025

Department of Revenue

Analysis of S.F. 2824 (Pappas) / H.F. 2574 (Hollins) as introduced

	Yes	No
DOR Administrative Costs/Savings		X

**Fund Impact**

	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective for districts for which the request for certification is made after June 30, 2025.

**EXPLANATION OF THE BILL**

Under current law, a redevelopment tax increment financing (TIF) district may be established if one or more conditions are met, as listed in statute.

The proposal would add an additional condition that may be used to establish a redevelopment TIF district: the property consists of vacant, unused, underused, inappropriately used, or infrequently used property intended or recently occupied for commercial or industrial purposes in Minneapolis or St. Paul. Any redevelopment districts established under this criterion would be exempt from complying with certain information usually required from the city prior to creating the district and the original net tax capacity would equal the value of the land for parcels containing commercial or industrial buildings determined to be vacant or underused.

**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>

sf2824(hf2574) TIF Redevelopment Criteria\_pt\_1/wms