

House Property Tax Division
Revenue Impact Summary for Selected Property Tax bills -
Wednesday, March 8, 2023

Note: This table reflects expenditure changes to the base budget reflected in the **February 2023 forecast**. Positive numbers are an expenditure increase, negative numbers are a reduction/cost savings.

Bill No.	Sponsor	Bill description	General Fund Expenditure Change (000's)						
			FY 2024	FY 2025	FY 24-25	FY 2026	FY 2027	FY 26-27	
Local Lodging Tax									
1	HF 2382	Olson, L	Duluth Local Lodging Tax - Extend 0.5% term Bill seeks to extend the term of 0.5% lodging tax (2014) by increasing from \$18 M to \$54 M the amount to be raised for debt service for public athletic facilities. In 1970, Duluth imposed 1% special lodging tax in addition to a 3% general law lodging tax. In 1980, an additional 1.5% lodging tax was added. In 2014, 0.5% of the lodging tax was dedicated to public facility capital improvements, to expire after \$18 Mil in debt service was raised. Effective with local approval + filing General Fund - No State Impact	0	0	0	0	0	0
Tax Increment Financing									
2	HF 263	Tabke	Shakopee TIF Permits establishment of soil deficiency TIF district with special rules Also extends 5 yr rule to 10 yrs, 6 yr rule to 11 yrs Effective with local approval + filing General Fund - No State Impact	0	0	0	0	0	0
3	HF 335	Hanson, J	Savage TIF 2014 law established soil deficiency TIF district with special rules; bill seeks to extend 5 yr rule to 11yrs for all districts established in 2014 and extend to 8 yrs rule on geographic enlargement. Effective with local approval + filing General Fund - No State Impact	0	0	0	0	0	0
4	HF 2412	Olson, L	Duluth TIF - Medical Regional Exchange /East 1st Street Provides for establishment a one or more redevelopment TIF districts with special rules and exemptions for the Medical Regional Exchange District Special rules would expire after Dec 31, 2051 Effective with local approval + filing General Fund - No State Impact	0	0	0	0	0	0

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			FY 2024	FY 2025	FY 24-25	FY 2026	FY 2027	FY 26-27	
5	HF 1871	Olson, L	Duluth TIF Districts Provides for establishment a one or more redevelopment TIF districts with special rules and exemptions including removing reqs for establishing district, removing limitations on property acquired and including seawalls and pier facings adjacent to the district as eligible expenditures. Also extend authority from 25 yr to 35 yr. Effective with local approval + filing General Fund - No State Impact	0	0	0	0	0	0
6	HF 1768	Coulter	Bloomington TIF Districts - Central Station Seeks to extend existing 5 yr rule duration from the current 21 yr to 26 yrs. Also seeks extension of undeveloped parcels limit from 12.31.39 to 12.31.2049. Effective day following enactment +1. General Fund - No State Impact	0	0	0	0	0	0
7	HF 1049	Brand	TIF definition, small cities Modifies definition of small city for TIF: having population of 5,00 or less and located 5 miles or more (not 10 miles or less) from city with 10,000 or more Effective August 1, 2023 General Fund - No State Impact	0	0	0	0	0	0
8	HF 978	Davids	TIF District Economic Development, limitation modified Clarifies small city TIF provision for separately owned property located 15,000 sq ft away, that if property is multi-level, then the 15,000 sq ft limitation applies to first floor only. Effective retroactive to certifications made after Dec 31, 2021. General Fund - No State Impact	0	0	0	0	0	0