

**PROPERTY TAX
Amending special rules for
Savage TIF**

March 7, 2023

Department of Revenue
Analysis of H.F. 335 (Hanson, J.) / S.F. 260 (Port) as introduced

	Yes	No
DOR Administrative Costs/Savings		X

Fund Impact

	F.Y. 2024	F.Y. 2025	F.Y. 2026	F.Y. 2027
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective following local approval.

EXPLANATION OF THE BILL

Minnesota Session Law 2014 allowed the city of Savage establish a soil deficiency tax increment financing (TIF) district. Some special rules applied to this district, including extending the five-year rule to eight years. The geographic area of a TIF district may not be enlarged after five years following the date of certification of the original net tax capacity.

The proposal would extend the five-year rule to 11 years for any TIF districts established under the 2014 Session Law. The proposal also extends to eight years the rule on the geographic enlargement of a district.

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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