

**PROPERTY TAX  
Shakopee TIF district  
establishment and special  
rules authorization**

March 7, 2023

Department of Revenue  
Analysis of S.F. 135 (Pratt) / H.F. 263 (Tabke) as introduced

	<b>Yes</b>	<b>No</b>
<b>DOR Administrative Costs/Savings</b>		<b>X</b>

**Fund Impact**

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

Effective following local approval.

**EXPLANATION OF THE BILL**

The proposal would allow the city of Shakopee to establish soil deficiency districts as a type of tax increment financing (TIF) district. The city or a development authority acting on its behalf would be allowed to establish one or more soil deficiency districts within the defined project area, providing that the area meets the specified conditions. The proposal provides special rules that would apply to these districts.

The proposal would also extend the five-year rule to ten years and the six-year rule to 11 years for any districts established under its authority.

**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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