

**PROPERTY TAX
Duluth TIF District
Establishment and Special
Rules Authorization**

March 7, 2023

Department of Revenue
Analysis of H.F. 2412 (Olson, L.) / S.F. 2539 (McEwen) 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

The proposal would allow the economic development authority of the city of Duluth or the city of Duluth to establish one or more redevelopment tax increment financing (TIF) districts within a defined area classified as the Medical Regional Exchange District and East 1st Street Corridor.

The proposal would provide special rules for the district. The following requirements, definitions, limitations, or restrictions would not apply:

- Requirements for establishing a redevelopment district
- Restrictions on how increment may be used
- Restrictions on which facilities increment may be used to fund
- Limitations on property acquired by the district
- Requirements for expenditures outside the district
- Five-year rule restrictions
- Limitations on the use of revenues for decertification

All the special rules applied under this proposal would expire after December 31, 2051.

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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