

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 450  
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**Subject:** Duluth TIF

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### Overview

This bill allows the city of Duluth to spend increments from a pre-1982 TIF district on activities outside of the district.

- Duluth TIF.** Allows the city of Duluth unrestricted authority to pool increments from pre-1982 TIF districts for activities within the project area.

**Background information.** The 1979 TIF Act explicitly required increment to be spent in accordance with a TIF plan for the improvement and development of the district. This limited spending to development or redevelopment of the district. Pooling or spending of increments for development or redevelopment of other areas (i.e., outside the district) was not explicitly authorized. The 1982 Legislature allowed unlimited pooling of increments, but these changes were effective only for districts for which the request for certification was made after June 30, 1982. Thus, these pre-1982 districts have no specific statutory authority to spend increments on developments outside of the district. In 1990, the legislature imposed percentage limits on the amount of increments that could be spent outside of the district. These limits apply to newly certified districts and areas of existing districts.