

HOUSE RESEARCH

Bill Summary

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Subject: Red Wing - TIF district duration extension

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Overview

This bill allows the city of Red Wing to extend the duration of 3 pre-1979 tax increment financing (TIF) districts by 5 or 5 1/2 years to offset deficits created by the 2001 property tax changes.

Section

- 1 Red Wing TIF.** Allows the city of Red Wing to extend the duration limits of three pre-1979 TIF districts to offset deficits caused by 2001 property tax changes. The city may extend the duration of one of the districts by 5 years and the other two by 5 1/2 years. The maximum amount of increment that may be collected as a result of the extension is limited to the reduction in increment that resulted from the (1) repeal of the general education levy and (2) the 2001 class rate changes. The city is permitted to use additional increments from the extension to reimburse itself for \$870,000 of debt service payments that it made in 2002 and 2003.

Effective date: Local approval by the city, county, and school district