

HOUSE RESEARCH

Bill Summary

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Overview

This bill allows the city of Detroit Lakes to pool tax increments to pay a "deficit" in a developer obligation resulting from the 2001 property tax changes. Under general law, pooling (transfer of increments from other TIF districts) may only be used to pay deficits under bond obligations, not developer obligations.

Section

- 1 Detroit Lakes, TIF.** Authorizes Detroit Lakes to pool increments from other TIF districts to pay a deficit in a developer obligation. General law allows pooling to pay deficits in bond obligations. In this case, bonds were used, but they were guaranteed and have been paid by the developer. Thus, there is no technical deficit for which pooling can be used under general law.

Effective date: Local approval by the city