

HOUSE RESEARCH

Bill Summary

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Overview

This bill allows the city of St. Michael to create a tax increment financing (TIF) district for right-of-way acquisition to expand trunk highway 241 in the city. This district is exempt from the blight test, the limits on pooling, and various other restrictions that would apply to a redevelopment district under general law.

Section

- 1 St. Michael, TIF.** Allows the city of St. Michael to establish a redevelopment TIF district that is exempt from various rules that apply under general law, if the district is used for acquisition of right-of-way for trunk highway 241:
- ▶ The district need not meet the "blight test" that otherwise applies to redevelopment districts.
 - ▶ The requirement that increments be spent only on qualifying project costs listed in the TIF plan does not apply.
 - ▶ The limitation that increments only be spent on blight corrections does not apply.
 - ▶ The percentage pooling rules do not apply, allowing more than 25% of the increments to be spent outside of the project area.
 - ▶ The limits on land acquisition for which there are no development agreements do not apply.

Effective date: Local approval by the city

