

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3740
Version: As introduced

DATE: April 23, 2010

Authors: Lanning

Subject: Economic Development Authorities (EDAs)

Analyst: Joel Michael, joel.michael@house.mn

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

This bill eliminates the requirements that economic development districts established by EDAs meet the “blight test” under the tax increment financing (TIF) law for redevelopment districts. This test requires that 70 percent of the parcels in the area be occupied by buildings or other improvements and that 50 percent of those buildings be substandard. (Alternative tests allow certain railroad facilities and tank farms to qualify, as well as qualified disaster areas.)

EDAs can avoid the blight test limitation by exercising powers under the housing and redevelopment authority law to create a redevelopment project, housing development, or housing project (under which a restrictive blight test does not apply), as authorized by section 469.101, subdivision 12. These projects can be used for similar purposes to those of an economic development district under the EDA law.