

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2450
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Authors: Mahoney and others

Subject: St. Paul, tax increment spending authority expanded

Analyst: Deborah Dyson

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Allows tax increment from a district established under the 2008 omnibus tax act to be used to pay principal and interest on bonds issued by St. Paul in 2009 for the RiverCentre Arena, instead of the St. Paul HRA's 1996 convention center bonds.

The 2008 omnibus tax act authorized the city of St. Paul to establish a new redevelopment TIF district with the same area and original tax capacity of its downtown pre-1979 TIF district. As a condition for establishing the district, the city had to enter an agreement with Ramsey County providing for transfer of the increment attributable to the county's tax rate to the county. The district terminates in 2023.

This district contributes to the fiscal disparities pool, unlike the pre-1979 HRA districts. To prevent the district from affecting local government aid, county program, or school aid, the captured net tax capacity of the district is included in adjusted net tax capacity for those programs.

Effective August 1, 2014, without local approval.