

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1945
Version: As introduced

DATE: March 31, 2015

Authors: Hertaus

Subject: Wayzata – Tax Increment Financing (TIF)

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 exempts TIF #3 (Widsten) in the city of Wayzata from the five-year rule to allow the city to use increment from district for a municipal parking ramp. This district is a redevelopment district for which certification was requested in 1996.

Background information. The five-year rule requires 75 percent (for redevelopment districts) of tax increment revenues derived from a TIF district after the fifth year to be spent to decertify the district. After the fifth year, money may only be spent to (1) pay bonds or contracts that financed improvements, if bonds were issued before the end of the five-year period or (2) reimburse the developer for costs it paid to make improvements in the district during the first five years. When sufficient money has been set aside, the district is decertified.