

HOUSE RESEARCH

Bill Summary

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Subject: City of Anoka – special tax increment financing (TIF) authority

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This bill extends the TIF law's 5-year Rule to 8 years for the Greens of Anoka redevelopment TIF district in the city of Anoka. It does this by deeming the district to be certified on June 30, 2012, rather than its actual certification date two days later on July 2, 2012.

Background information. The 5-year Rule requires TIF development authorities to complete funded in-district development activities within a 5-year period starting with certification of the district. After the period has run, the in-district share of the increments (75 percent of increments for a redevelopment district) may only be used to pay off outstanding bonds and contracts, incurred during the 5-year period. During the Great Recession, the legislature extended the 5-year period because of the greater difficulty of complete developments. This was done in two different laws that applied to districts certified during different period of time shown in the table below.

Year Enacted	District certified during period covered	5-year Rule extended to
2009	June 30, 2003 to April 20, 2009	10 years
2014	April 20, 2009 to June 30, 2012	8 years

The bill allows the Greens of Anoka district to qualify under the second set of these extensions, even though its certification occurred two days outside of the required window.