## HOUSE RESEARCH

## - Bill Summary

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Subject:	Maple Grove tax increment financing (TIF)
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This bill modifies a special law, enacted by the 2014 legislature, for the city of Maple Grove. The 2014 special law allowed the city to establish TIF districts subject to various special rules (i.e., that differ from the general TIF law) to help develop the site of a gravel pit. The 2014 law defined an area of the city as the project area (i.e., the area in which the city could both expend tax increments and establish the TIF districts). In addition, before proceeding under the law, the city was required to find that specific conditions existed in the defined area, specifically that certain percentage tests were met.

This bill amends the special law to:

- allow the city to designate only part of the defined area, giving the city more flexibility in determining whether the percentage tests are met but also limiting where monies may be spent and TIF districts created under the special rules;
- include area outside of the defined area, if part of a property tax parcel is in the defined area; and
- use money from soil deficiency districts for land acquisition and infrastructure outside of the TIF district that generated the increment, if it is for a development that does not include retail or housing developments. Under present law, these increments may only be used to pay for soil corrections or the additional costs of infrastructure that result from the soil deficiencies.

Note: These provisions were passed in the version of H.F. 848 (2015-16) that was pocketed vetoed.