

Subject Special TIF authorization for Shakopee

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## Overview

This bill specifies parcels where Shakopee could use special rules in administering several types of tax increment financing districts, including soil deficiency districts, a type of tax increment financing district created by this legislation.

## Summary

Section	Description
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1	<b>City of Shakopee; tax increment financing district.</b>
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**Subd. 1. Definitions.** Defines terms for the purposes of this section, including defining the project area by reference to parcel identification numbers and defining a soil deficiency district as an area where the city by resolution finds that: (1) at least 70 percent of the acreage has unusual terrain or soil deficiencies requiring physical preparation for use; and (2) the cost of preparing the land would exceed the fair market value of the property.

**Subd. 2. Special rules.** Allows any redevelopment, soil deficiency, soil conditions, or renewal or renovation district established in the project area to operate under special rules, provided that before the establishment of a district under these special rules the city find that 70 percent of the acreage of the project area is characterized by specified conditions requiring site preparation before being developed for commercial or residential purposes. Extends the deadline for districts operating under the special rules to undertake development debt within the district from five years to 10 years. Allows districts operating under the special rules to spend up to 80 percent of increment outside the district but within the project area. Limits increment collection of a soil deficiency district to 21 years and limits use of increment from a soil deficiency district. Expires authority to establish a district under this section on December 31, 2026.

Effective upon certification of local approval.



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