

# HOUSE RESEARCH

## Bill Summary

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**Subject:** City of Hopkins, special TIF authority

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This bill provides special tax increment financing (TIF) rules for two districts in the city of Hopkins.

District 1-4 is allowed a 5-year extension of its duration. This is a redevelopment district that is permitted to collect 25 years of increment after the first year. Thus, this extends the duration to 31 years of increment.

District 1-3 is allowed three exceptions from general law rules:

- Duration extension – a 5-year extension is allowed. This district is a redevelopment district that is permitted to collect 25 years of increment after the first year. Thus, this extends the duration to 31 years of increment.
- 5-year rule – the 5-year rule is extended to 7 years. The 5-year rule requires the development authority to complete the district's in-district activities within 5 years after certification of the district.
- 4-year knockdown rule – the 4-year knockdown rule is increased to 6 years. The knockdown rule requires development activity to take place on a parcel (qualifying activities include the installation of public infrastructure improvements adjacent to the parcel) within 4 years after certification. Failing this, the parcel is dropped from the TIF district and is only recertified (with its then tax value) as part of the district when the requisite activity takes place.

Effective date: The duration extension is effective upon local approval by the city, county, and school; the remainder is effective upon city approval.