

PROPERTY TAX
Authorizing tax increment financing districts in the city of Bloomington

March 15, 2021

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 1711 (Wiklund) / H.F. 1970 (Howard) as introduced

	Fund Impact			
	FY2022	FY2023	FY2024	FY2025
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective following local approval.

EXPLANATION OF THE BILL

The proposal authorizes the city of Bloomington or its housing and redevelopment authority to establish two tax increment financing (TIF) districts: American Boulevard and 98th & Aldrich. Each district is limited to the parcels and rights-of-way specified in the proposal.

The proposal includes special rules for both districts:

- Under current law, there are requirements that must be met in order to qualify as a redevelopment district. Under the proposal, the districts are deemed to meet all such requirements.
- Under current law, at least 90% of revenues must be used to finance the costs of correcting conditions that allowed a district to be designated a redevelopment or renewal and renovation district. Under the proposal, expenditures in the districts would be deemed to meet this requirement.

Another special rule would apply only to the American Boulevard district. Under current law, pooling rules require that a certain percentage of tax increments be spent on activities within each TIF district. The proposal would allow the district to consider increments spent on undergrounding or overhead power lines, transformers, and related infrastructure within the project area as activities within the district.

REVENUE ANALYSIS DETAIL

- The proposed changes to these special TIF provisions may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

Source: Minnesota Department of Revenue

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