Overview

This bill allows Itasca county to establish a 25 year economic development TIF district to help finance an electricity plant to be constructed next to a direct reduction steel mill. In addition, to the extended duration the district would not be subject to the state aid offset and local contribution rules, either during the regular district life or during the extension period.

1 Itasca county TIF authority. Authorizes Itasca county to establish an economic development TIF district for an electric power plant next to a direct reduction steel mill.

2 Exceptions from general law TIF rules. Provides the following exceptions from general law TIF rules:
   - Allows a 25 year duration limit, as compared with 9 years under general law.
   - All increment must be spent on activities located in the district. General law would permit up to 20 percent of the increment to be spent outside of the district.
   - The state aid offset provisions during the extension period does not apply to the district. Under general law, state aid to either the county or the school district would be reduced for the last 16 years of the district's duration. The aid reduction would equal the additional school aid that is paid because the district's captured tax capacity is not considered in calculating the school district's local tax base.
   - The regular state aid offset and local contribution rules do not apply. These rules would require the county to pay project costs equal to 10 percent of increments out of unrestricted moneys of the county.
   - The bill clarifies that personal property taxes would also be captured by the TIF district.

3 Development powers. Authorizes Itasca county to exercise the powers of a housing and redevelopment authority and economic development authority for the project.

4 Effective date. Provides the act is effective upon local approval by Itasca county.