This bill exempts a Winona tax increment financing (TIF) district from the 1999 law that requires a pre-1982 district that pooled increments to use increments after 1999 only to decertify the district.

1  Winona TIF. Deems expenditures made before 1998 on a wastewater treatment plant to be made within the geographic area of the TIF district and, thus, not to constitute pooling of increments from a pre-1982 district. This will, in effect, exempt the district from the 1999 law that requires pre-1982 districts that pooled increments to use all of their increments after 1999 to decertify the district.

Background information. Prior to 1982, the TIF act did not permit pooling of increments (i.e., spending increments on activities outside of the district area). Districts created between 1982 and 1990 were allowed unlimited pooling. Post-1990 districts were allowed pooling, subject to percentage restrictions. A number of cities pooled increments from pre-1982 districts. After being granted enforcement authority and resources in 1995, the State Auditor began issuing violation letters for these pre-1982 pooling violations. The legislature resolved this situation in 1999 by ratifying past pooling from these districts and requiring districts that had engaged in it to use all future (after 1999) increments only to pay off bonds and decertify the districts. This bill seeks an exemption from that sanction and authority to pool increments from this pre-1982 district.