

Subject Burnsville; tax increment financing districts authorized

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## Overview

This bill authorizes special rules for the city of Burnsville to create redevelopment TIF districts within the limited area of the Burnsville Center mall and adjacent rights-of-way.

## Summary

Section	Description
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1	<b>City of Burnsville; TIF authority.</b>
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**Subd. 1. Establishment.** Authorizes the city or development authority to establish one or more redevelopment districts within the parcels that comprise the Burnsville Center mall.

**Subd. 2. Special rules.** Allows the following special rules to apply to any district established under subdivision 1:

- exempts from the required blight findings for establishing a redevelopment district;
- exempts from the requirement that increment be spent on correction of blight conditions; and
- allows that increment used on the construction of a bridge, tunnel, or other connector across adjacent rights-of-way is deemed an expenditure within the district.

This section is effective upon local approval and compliance with filing requirements for special laws.

### Background on general TIF rules

**Redevelopment districts.** Under current law, a blight finding within the district area must be found before a redevelopment district can be established. The blight finding

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is based on a percentage of the area's parcels that are occupied by improvements and of the parcels' buildings that are substandard.

To that end, redevelopment districts are allowed a longer duration (25 years) than districts that have a lesser blight requirement (i.e., renewal and renovation districts—15 years), or districts that do not have a blight finding requirement (i.e., economic development districts—8 years).

**Increment expenditure limitation.** Under current law for redevelopment districts, at least 90 percent of increment generated in a district must be used to finance the correction of the blighted conditions that allowed the district to qualify as a redevelopment district.

If a district is a “deemed” redevelopment district under a special law, it would follow that the district would be unable to meet this statutory expenditure limitation.



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