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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **2208**

March 30, 2009

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to economic development; amending limitations on tax increment
1.3 financing districts; amending Minnesota Statutes 2008, section 469.176,
1.4 subdivision 1b.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2008, section 469.176, subdivision 1b, is amended to
1.7 read:

1.8 Subd. 1b. **Duration limits; terms.** (a) No tax increment shall in any event be
1.9 paid to the authority

1.10 (1) after 15 years after receipt by the authority of the first increment for a renewal
1.11 and renovation district,

1.12 (2) after 20 years after receipt by the authority of the first increment for a soils
1.13 condition district,

1.14 (3) after eight years after receipt by the authority of the first increment for an
1.15 economic development district,

1.16 (4) for a housing district or a redevelopment district, after ~~25~~ 30 years from the date
1.17 of receipt by the authority of the first increment.

1.18 (b) For purposes of determining a duration limit under this subdivision or subdivision
1.19 1e that is based on the receipt of an increment, any increments from taxes payable in
1.20 the year in which the district terminates shall be paid to the authority. This paragraph
1.21 does not affect a duration limit calculated from the date of approval of the tax increment
1.22 financing plan or based on the recovery of costs or to a duration limit under subdivision
1.23 1c. This paragraph does not supersede the restrictions on payment of delinquent taxes in
1.24 subdivision 1f.

2.1 (c) An action by the authority to waive or decline to accept an increment has no
2.2 effect for purposes of computing a duration limit based on the receipt of increment under
2.3 this subdivision or any other provision of law. The authority is deemed to have received an
2.4 increment for any year in which it waived or declined to accept an increment, regardless
2.5 of whether the increment was paid to the authority.

2.6 (d) Receipt by a hazardous substance subdistrict of an increment as a result of a
2.7 reduction in original net tax capacity under section 469.174, subdivision 7, paragraph
2.8 (b), does not constitute receipt of increment by the overlying district for the purpose of
2.9 calculating the duration limit under this section.

2.10 **EFFECTIVE DATE.** This section is effective June 30, 2009.