

1.1 A bill for an act

1.2 relating to taxation; authorizing the cities of Arden Hills, Hilltop, New Brighton,
1.3 Shoreview, and St. Anthony Village to establish housing replacement tax
1.4 increment financing districts; amending Laws 1995, chapter 264, article 5,
1.5 sections 44, subdivision 4, as amended; 45, subdivision 1, as amended.

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

1.7 Section 1. Laws 1995, chapter 264, article 5, section 44, subdivision 4, as amended
1.8 by Laws 1996, chapter 471, article 7, section 21, Laws 1997, chapter 231, article 10,
1.9 section 12, Laws 2008, chapter 154, article 9, section 18, and Laws 2010, chapter 216,
1.10 section 45, is amended to read:

1.11 Subd. 4. **Authority.** For housing replacement projects in the city of Crystal,
1.12 "authority" means the Crystal economic development authority. For housing replacement
1.13 projects in the city of Fridley, "authority" means the housing and redevelopment authority
1.14 in and for the city of Fridley or a successor in interest. For housing replacement
1.15 projects in the city of Minneapolis, "authority" means the Minneapolis community
1.16 development agency or its successors and assigns. For housing replacement projects
1.17 in the city of St. Paul, "authority" means the St. Paul housing and redevelopment
1.18 authority. For housing replacement projects in the city of Duluth, "authority" means the
1.19 Duluth economic development authority. For housing replacement projects in the city of
1.20 Richfield, "authority" is the authority as defined in Minnesota Statutes, section 469.174,
1.21 subdivision 2, that is designated by the governing body of the city of Richfield. For
1.22 housing replacement projects in the city of Columbia Heights, "authority" is the authority
1.23 as defined in Minnesota Statutes, section 469.174, subdivision 2, that is designated by
1.24 the governing body of the city of Columbia Heights. For housing replacement projects in
1.25 the city of Brooklyn Park, "authority" is the authority as defined in Minnesota Statutes,

2.1 section 469.174, subdivision 2, that is designated by the governing body of the city of
2.2 Brooklyn Park. For housing replacement projects in the city of Arden Hills, "authority"
2.3 is the authority as defined in Minnesota Statutes, section 469.174, subdivision 2, that is
2.4 designated by the governing body of the city of Arden Hills. For housing replacement
2.5 projects in the city of Hilltop, "authority" is the authority as defined in Minnesota Statutes,
2.6 section 469.174, subdivision 2, that is designated by the governing body of the city of
2.7 Hilltop. For housing replacement projects in the city of New Brighton, "authority" is
2.8 the authority as defined in Minnesota Statutes, section 469.174, subdivision 2, that is
2.9 designated by the governing body of the city of New Brighton. For housing replacement
2.10 projects in the city of Shoreview, "authority" is the authority as defined in Minnesota
2.11 Statutes, section 469.174, subdivision 2, that is designated by the governing body
2.12 of Shoreview. For housing replacement projects in the city of St. Anthony Village,
2.13 "authority" is the authority as defined in Minnesota Statutes, section 469.174, subdivision
2.14 2, that is designated by the governing body in the city of St. Anthony Village.

2.15 **EFFECTIVE DATE.** This section is effective the day following final enactment and
2.16 applies to the cities of Arden Hills, Hilltop, New Brighton, Shoreview, and St. Anthony
2.17 Village without local approval under Minnesota Statutes, section 645.023, subdivision 1,
2.18 paragraph (a).

2.19 Sec. 2. Laws 1995, chapter 264, article 5, section 45, subdivision 1, as amended by
2.20 Laws 1996, chapter 471, article 7, section 22, Laws 1997, chapter 231, article 10, section
2.21 13, Laws 2002, chapter 377, article 7, section 6, Laws 2008, chapter 154, article 9, section
2.22 19, and Laws 2010, chapter 216, section 46, is amended to read:

2.23 Subdivision 1. **Creation of projects.** (a) An authority may create a housing
2.24 replacement project under sections 44 to 47, as provided in this section.

2.25 (b) For the cities of Crystal, Fridley, Richfield, Columbia Heights, ~~and~~ Brooklyn
2.26 Park, Arden Hills, Hilltop, New Brighton, Shoreview, and St. Anthony Village, the
2.27 authority may designate up to 100 parcels in the city to be included in a housing
2.28 replacement district over the life of a district or districts. For the cities of St. Paul and
2.29 Duluth, each authority may designate not more than 200 parcels in the city to be included
2.30 in a housing replacement district over the life of the district. For the city of Minneapolis,
2.31 the authority may designate not more than 500 parcels in the city to be included in housing
2.32 replacement districts over the life of the districts. The only parcels that may be included
2.33 in a district are (1) vacant sites, (2) parcels containing vacant houses, or (3) parcels
2.34 containing houses that are structurally substandard, as defined in Minnesota Statutes,
2.35 section 469.174, subdivision 10.

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3.1 (c) The city in which the authority is located must pay at least 25 percent of the
3.2 housing replacement project costs from its general fund, a property tax levy, or other
3.3 unrestricted money, not including tax increments.

3.4 (d) The housing replacement district plan must have as its sole object the acquisition
3.5 of parcels for the purpose of preparing the site to be sold for market rate housing. As
3.6 used in this section, "market rate housing" means housing that has a market value that
3.7 does not exceed 150 percent of the average market value of single-family housing in that
3.8 municipality.

3.9 **EFFECTIVE DATE.** This section is effective the day following final enactment
3.10 and applies to the affected cities without local approval under Minnesota Statutes, section
3.11 645.023, subdivision 1, paragraph (a).