

Subject Special tax increment financing rules for Minneapolis

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Summary

This bill would allow the city of Minneapolis to establish up to three redevelopment districts in its downtown operating under special rules. Those special rules would:

- Allow establishment of redevelopment districts in areas not meeting the statutory blight definition;
- Allow for noncontiguous parcels to be included in the districts even if those parcels were not blighted;
- Allow use of increment from those parcels for parks;
- Exempt the districts from requirements that at least 65 percent of the increment be spent within the district so long as the increment is spent in the downtown area;
- Exempt the districts from requirements that in-district debt be incurred within five years after the district is established;
- Exempt the districts from deadlines for beginning to repay development debt and from requirements that the districts be decertified once that debt is repaid;
- Exempt the districts from requirements that their uses will result in property value increases that exceed the development that would be expected to occur without tax increment financing by at least as much as the increment;
- Exempt the districts from the requirements that they start work within four years after being established; and
- Allow the value of the land to be used as the original net tax capacity, a practice currently allowed for properties in qualified disaster areas.

The authority to establish a district would expire June 30, 2034, or June 30, 2030, if Minneapolis did not establish at least one district by that time.