

**Subject** Special tax increment financing legislation for Maple Grove

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## Summary

In 2014, the legislature authorized the city of Maple Grove to establish several districts operating under special rules, including soil deficiency districts—a type of tax increment financing district created under special law. The legislature granted comparable authority in other legislation to the cities of Apple Valley, Burnsville, Savage, and Shakopee. The special legislation for Maple Grove was amended in 2017 to expand the area in which increment could be spent and to allow expenditures of soil deficiency district increment outside the soil deficiency districts.

This bill would expand the five-year rule for districts established under this special legislation to 13 years; this period had been extended to eight years in the original special legislation. This bill would also expand the duration in which increment could be collected from 21 to 26 years, matching the longest durations allowable for general law tax increment financing districts. Longer maximum durations entail greater potential for collecting increment and longer time periods before other taxing jurisdictions can tax the increased value of property in the district.