

**PROPERTY TAX  
Amending special rules for  
Savage TIF**

March 28, 2023

	<b>Yes</b>	<b>No</b>
<b>DOR Administrative Costs/Savings</b>		<b>X</b>

Department of Revenue  
Analysis of S.F. 260 (Port) as proposed to be amended by SCS0260A-1

	<b>Fund Impact</b>			
	<b>F.Y. 2024</b>	<b>F.Y. 2025</b>	<b>F.Y. 2026</b>	<b>F.Y. 2027</b>
	(000's)			
General Fund	\$0	\$0	\$0	\$0

Effective following local approval.

**EXPLANATION OF THE BILL**

Minnesota Session Law 2014 allowed the city of Savage establish a soil deficiency tax increment financing (TIF) district. Some special rules applied to this district, including extending the five-year rule to eight years. The geographic area of a TIF district may not be enlarged after five years following the date of certification of the original net tax capacity.

The proposal would extend the five-year rule to 12 years for any TIF districts established under the 2014 Session Law. The proposal also extends to nine years the rule on the geographic enlargement of a district.

**REVENUE ANALYSIS DETAIL**

- The proposed changes to this special TIF provision may have an impact on the local tax base and tax rate in the future and may result in a small change in property tax refunds paid by the state.

Source: Minnesota Department of Revenue  
Property Tax Division – Research Unit  
<https://www.revenue.state.mn.us/revenue-analyses>

hf0335(sf0260) TIF Savage\_pt\_2/wms