

A bill for an act

relating to the city of Minneapolis; extending the duration of certain tax increment financing districts; providing for distribution of their increments; limiting changes to the neighborhood revitalization program governance structure; amending Minnesota Statutes 2006, sections 469.1781; 469.1831, by adding a subdivision.

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

Section 1. Minnesota Statutes 2006, section 469.1781, is amended to read:

**469.1781 REQUIRED SPENDING FOR NEIGHBORHOOD
REVITALIZATION.**

(a) The provisions of this section apply to a city of the first class if the following conditions are met:

(1) the city refunded bonds and revenues, derived from increment from a district for which certification was requested before August 1, 1979, were pledged to pay the bonds;

(2) the refunding bonds were issued after April 1, 1988, and before April 1, 1990;

(3) the refunded bonds' obligations were due and payable in full by the calendar year 2002 and the refunding bonds' obligations are payable, in whole or part, during the calendar years 2001 through 2009; and

(4) the city had in place during 1989 an ordinance providing for excess increments to be distributed under section 469.176, subdivision 2, paragraph (a), clause (4), and the city modified the ordinance to eliminate all or part of the distributions of excess increments.

(b) For calendar years 1990 through 2001, in each year the city must expend for a neighborhood revitalization program, as established under section 469.1831, an amount of revenues derived from tax increments equal to at least:

(1) the amount of the additional principal and interest payments that would have been due for the year on the refunded bonds, if the bonds had not been refunded; and

(2) the amount of money which would have been distributed as excess increments under the city ordinance had it not been modified.

(c) Notwithstanding the provisions of section 469.176, subdivision 1c, the duration of districts in the city of Minneapolis that are exempt under section 469.179, subdivision 1, and were not decertified before July 1, 2008, are extended through December 31, 2019.

(d) The county auditor shall distribute the additional increments received as a result of the duration extension under paragraph (c) as excess increments in the manner provided under section 469.176, subdivision 2, paragraph (c), clause (4). The amount allocated under this provision to the city of Minneapolis must be divided equally between the city's general fund and the neighborhood revitalization program under section 469.1831. The city must transfer the revenues allocated to the neighborhood revitalization program within 14 days after receipt from the county to the account of the program under section 469.1831.

EFFECTIVE DATE. This section is effective upon compliance by the city of Minneapolis with the requirements of Minnesota Statutes, section 645.021.

Sec. 2. Minnesota Statutes 2006, section 469.1831, is amended by adding a subdivision to read:

Subd. 6a. **Minneapolis NRP; governing board.** The composition of, method of selecting, and voting authority of the members of the policy board of the Minneapolis neighborhood revitalization program under subdivision 6 and the program's bylaws must remain in place during the period in which funding is received under section 469.1781.

EFFECTIVE DATE. This section is effective the day following final enactment and applies during the period that section 1 is in effect.