

**SENATE  
STATE OF MINNESOTA  
NINETY-FOURTH SESSION**

**S.F. No. 2667**

(SENATE AUTHORS: WIKLUND)

DATE  
03/17/2025

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868 Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to taxation; tax increment financing; expanding eligible uses of increment  
1.3 from tax increment financing districts in the cities of Minnetonka, Richfield, and  
1.4 St. Louis Park to include transfers to local housing trust funds; imposing  
1.5 requirements on use of transferred increment.

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

1.7 Section 1. **CITIES OF MINNETONKA, RICHFIELD, AND ST. LOUIS PARK;**  
1.8 **TRANSFER OF INCREMENT AUTHORIZED.**

1.9 Subdivision 1. Expenditures outside district. (a) For the city of Minnetonka, or its  
1.10 economic development authority, the authorization to elect to increase outside the district  
1.11 expenditures under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (d), is  
1.12 increased to 15 percentage points.

1.13 (b) For the city of Richfield, or its housing and redevelopment authority, the authorization  
1.14 to elect to increase outside the district expenditures under Minnesota Statutes, section  
1.15 469.1763, subdivision 2, paragraph (d), is increased to 15 percentage points.

1.16 (c) For the city of St. Louis Park, or its economic development authority, the authorization  
1.17 to elect to increase outside the district expenditures under Minnesota Statutes, section  
1.18 469.1763, subdivision 2, paragraph (d), is increased to 15 percentage points.

1.19 Subd. 2. Allowable use. To qualify for the increase under subdivision 1, the expenditures  
1.20 must be used for transfer to a housing trust fund established pursuant to section 462C.16  
1.21 for expenditure in accordance with subdivision 3.

1.22 Subd. 3. Increment transferred to a housing trust fund. (a) A city or authority making  
1.23 a transfer under subdivision 2, must allocate the transferred increment in conformity with

2.1 the city's ordinance or policy establishing the division of funds for rental and homeownership  
2.2 distributions. Money distributed under this subdivision must follow the following income  
2.3 requirements:

2.4 (1) for money used for rental housing purposes, the money must benefit households at  
2.5 or below 80 percent of area median income; and

2.6 (2) for money used for homeownership housing purposes, the money must benefit  
2.7 households at or below 120 percent of area median income.

2.8 (b) Any increment transferred for use pursuant to this subdivision is no longer considered  
2.9 increment within the meaning of section 469.174, subdivision 25, and is not subject to the  
2.10 annual reporting requirements imposed by section 469.175.

2.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.