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*****PRESS RELEASE*****

State Auditor Otto Releases Tax Increment Financing (TIF) Legislative Report

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ST. PAUL (2/2/2012) – State Auditor Rebecca Otto has released the Tax Increment Financing (TIF) Legislative Report. The Report summarizes the data received from the 1,886 unaudited TIF reports for the year ended December 31, 2010, and provides a summary of the violations cited in the limited-scope reviews concluded by the Office of the State Auditor in 2011. This sixteenth annual Legislative Report was compiled from information received from the 430 municipalities and development authorities currently authorized to exercise TIF powers in Minnesota.

Highlights from the report include:

Current Trends:

- In calendar year 2010, development authorities returned \$17,189,994 in tax increment revenue to the county auditor for redistribution to the city, county, and school district as property taxes.
- Thirty-nine TIF districts were certified in Minnesota during calendar year 2010, while 147 TIF districts were decertified.
- In 2010, 34 percent of the total number of TIF districts were located in the Metro Area; 66 percent were located in Greater Minnesota. However, 82 percent of the tax increment revenue generated in 2010 was from districts located within the Metro Area.
- In 2010, development authorities were given temporary expanded authority under the Jobs Stimulus Program to use tax increment in ways not previously authorized. As of the date of this Report, the OSA has received TIF plans for 31 economic development districts created, and 35 spending plans have been submitted to the OSA under the Jobs Stimulus Program.

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Long-Term Trends:

- The total number of TIF districts certified between 2006 and 2010 decreased by 57 percent.
- During the five-year period between 2006 and 2010, the number of economic development districts certified decreased by 57 percent. The number of housing districts certified decreased by 67 percent. The number of redevelopment districts certified decreased by 46 percent.
- Over the ten-year period covering 2001 through 2010, the number of districts certified decreased by 74 percent.

To view the complete report, which includes an Executive Summary, tables, and graphs, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20120201.003>.

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The Office of the State Auditor is a constitutional office that is charged with overseeing more than \$20 billion spent annually by local governments in Minnesota. The Office of the State Auditor does this by performing audits of local government financial statements, and by reviewing documents, data, reports, and complaints reported to the Office. The financial information collected from local governments is analyzed and is the basis of statutory reports issued by the Office of the State Auditor.

Rebecca Otto is Minnesota's 18th State Auditor. A high-resolution official photo is available for download at http://www.auditor.state.mn.us/images/otto_hires.jpg. To learn more about State Auditor Otto, see <http://www.auditor.state.mn.us/default.aspx?page=bio>.