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

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

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ST. PAUL (1/26/2011) – State Auditor Rebecca Otto released the Tax Increment Financing (TIF) Legislative Report today. The Report summarizes the data received from the 1,979 unaudited TIF reports for the year ended December 31, 2009, and provides a summary of the violations cited in the limited-scope reviews concluded by the Office of the State Auditor in 2010.

Tax increment financing is a tool created by the Minnesota Legislature to promote economic development, redevelopment, and housing development in areas where it would not otherwise occur. This fifteenth annual Legislative Report was compiled from information received from the 433 municipalities and development authorities currently authorized to exercise TIF powers in Minnesota.

Highlights from the report include:

Current Trends:

- In calendar year 2009, development authorities returned \$10,503,928 in tax increment revenues to the county auditor for redistribution to the city, county, and school district as property taxes.
- Fifty-six TIF districts were certified in Minnesota during calendar year 2009, while 153 TIF districts were decertified.
- In 2009, 34% of the total number of TIF districts were located in the Metro Area; 66% were located in Greater Minnesota. However, 83% of the tax increment revenue generated in 2009 was from districts located within the Metro Area.

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Long-Term Trends:

- The total number of TIF districts certified between 2005 and 2009 decreased by 43%.
- When examining trends over the five-year period between 2005 and 2009, it is interesting to note that the number of housing districts created or certified consistently decreased, while after four years of consistent growth, the number of economic development districts declined sharply in 2009.
- Over the ten-year period covering 2000 through 2009, the number of districts certified has decreased 67%.

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

<http://www.auditor.state.mn.us/default.aspx?page=20110125.002>.

-- 30 --

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>.