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

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

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ST. PAUL (2/6/2013) – State Auditor Rebecca Otto has released the Tax Increment Financing Legislative Report. This seventeenth Annual Legislative Report (Report) was compiled from information received from the 426 development authorities currently authorized to exercise tax increment financing (TIF) powers in Minnesota. The Report summarizes the data received from the 1,810 unaudited TIF reports for the calendar year ended December 31, 2011, and provides a summary of the violations cited in the limited-scope reviews concluded by the Office of the State Auditor (OSA) in 2012. Tax increment financing (TIF) is a financing tool established by the Legislature to support local economic development, redevelopment, and housing development.

Highlights from the report include:

Current Trends:

- In 2011, development authorities returned \$5,070,233 in tax increment revenue to county auditors for redistribution to the city, county, and school district as property taxes.
- The total number of TIF districts certified in 2011 increased by 72 percent compared to 2010. The number of economic development districts certified increased from 12 to 33.
- In 2011, 35 percent of TIF districts were located in the Metro Area; 65 percent were located in Greater Minnesota.
- Although most districts are located in Greater Minnesota, approximately \$210 million of the \$252 million of tax increment, or 83 percent, was generated in the Metro Area.

Long-Term Trends:

- In 2011, certifications decreased by 27 percent as compared to 2007.

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- Tax increment revenues for 2011 stabilized after two years of decline.
- Between 1996 and 2004 the number of districts increased. From 2004 through 2011 there has been a decline. One cause of this decline is that older districts are decertifying.

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

<http://www.auditor.state.mn.us/default.aspx?page=20130205.000>.

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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>.