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Office of the State Auditor to hold 2007 Tax Increment Financing Seminar, March 15

~ Event brings together local government officials from across the state ~

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ST. PAUL (2/15/2007) – The who’s who of tax increment financing (TIF) will gather for the 2007 Tax Increment Financing Seminar of the Office of the State Auditor on Thursday, March 15, at the Park Plaza Hotel, 4460 W. 78th St. Circle, Bloomington.

The full-day seminar will give attorneys who advise cities on TIF legal matters, CPAs who audit cities, local government elected and appointed officials using tax increment financing, TIF enthusiasts, as well as TIF critics, an opportunity to meet the experts who play a critical role in the regulation, interpretation and oversight of TIF law.

“We have lined up a group of top-notch experts who will provide insight on a wide range of TIF issues, from the legislative intent of tax increment financing to hot button topics,” State Auditor Rebecca Otto said. **“I am a firm believer in improving government by being more proactive and preventative and getting ahead of the problems before they occur. This seminar serves that goal.”**

Otto, one of the four state constitutional officers, will be the featured luncheon speaker. The State Auditor’s presentation will share her vision for the office.

Tax increment financing is a financing tool for local economic development that assists in the revitalization of cities through redevelopment of blighted areas, construction of low and moderate income housing, and assistance with needed economic development that would not occur “but for” public assistance.

The property taxes generated from this new development are designated, through a public due process procedure, as tax increment revenues for a term of years. Tax increment revenues are used to finance the construction of public improvements, such as streets, sidewalks, sewer and water and similar improvements necessary for the development. Once these improvements are financed, tax increment revenues revert back to local property taxes.

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Since the enactment of the Tax Increment Financing Act in 1979, the legislature has actively monitored the use of tax increment, amending the law almost every year to clarify provisions of the law or adding limitations to stop perceived abuses. These amendments usually are debated and addressed in the House and Senate Taxes Committees. House Taxes Committee Chair Ann Lenczewski, (DFL) Bloomington, and Senate Taxes Committee Chair Tom Bakk, (DFL) Cook, will speak at the March 15th seminar and respond to questions.

To register and for more information on the seminar, go to www.auditor.state.mn.us and click on the homepage's "Tax Increment Financing Division Newsletter – February 2007" link.

As one of the four state constitutional offices, the Office of the State Auditor oversees Minnesota's more than 3,300 local government units to ensure financial integrity and accountability in local government financial activities. The office performs audits and reviews of financial statements, documents and reports, making comments on financial accuracy and legal compliance while adhering to the highest governmental accounting principles and auditing standards.

The TIF Division of the Office of the State Auditor is responsible for monitoring more than 2,200 TIF districts to ensure that the property tax revenues funding these districts are spent in accordance with state law. The division reviews annual reports containing financial information from all TIF districts and performs legal compliance audits on TIF districts throughout the state. The division responds to inquiries regarding TIF from citizens and local government officials and travels throughout the state educating local governments and their affiliates on issues such as proper TIF expenditures, methods of accounting for TIF revenues and expenditures and proper financial reporting.

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