

TIF Division Newsletter



Deadline for 2010 County TIF Information

The Office of the State Auditor is collecting TIF district information for property taxes payable 2010 from each county. The information was due to our office by Friday, February 25, 2011. [Click here](#) to download the Request for TIF District Information Form if you have not yet completed filing the form. Questions may be directed to Jenna Braband at (651) 296-7001.

Questions and Answers about the TIF Jobs Program

Does the Jobs Program permit tax increment revenues to be used directly on the construction of buildings?

Section 469.176, subd. 4m, of the TIF Act provides that qualifying excess increment can be used through the Jobs Program to spur new construction or rehabilitation. The language, “*notwithstanding . . . any other law to the contrary,*” permits construction of private sector buildings, but not public buildings.

Section 469.176, subd. 4c (d), of the TIF Act permits an economic development district to be used to provide Jobs Program assistance. Previously an economic development district could only be used for manufacturing, warehousing, research and development, telemarketing, and tourism facilities. Under the Jobs Program, it can be used for any type of new construction or rehabilitation. Whether the use of tax increment is limited to traditional site improvements or can be used for actual construction of the building depends on whether the underlying development authority (the HRA Act, the EDA Act, the Port Authority Act, or Municipal Development Districts Act) permits the use of tax increment for the construction of buildings. Consult your finance counsel if you have additional questions on this subject.

If a TIF district has reserved 75 percent of its increment each year to cover outstanding debt as required by law, but has sufficient tax increment to pay annual debt service payments, can the reserve be used for the Jobs Program?

Yes, the “notwithstanding” language of section 469.176, subd. 4m trumps the pooling limits. Reserved tax increment can be used if it is not needed for annual debt service payments.

What is the possibility of the 2011 Legislature extending the deadlines for Jobs Program projects to commence construction beyond the July 1, 2011 deadline?

There are bills in both the House and Senate proposing that the deadline be extended to 2013. Since the bills have strong Republican and Democratic authors, there is a strong possibility the extension could become law. Stay tuned.

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