

# TIF Division Newsletter



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## The Jobs Program: Spending Plans versus TIF Plans.

**When Are Spending Plans Required?** The 2010 Legislature gave development authorities temporary authority to use available and uncommitted tax increment revenues from existing TIF districts to provide tax increment subsidies or assistance in any form to aid job-creating development projects.<sup>1</sup> The purpose of this temporary authority is to create jobs through the construction or rehabilitation of buildings and ancillary facilities. Before this authority can be exercised, a written spending plan must be approved by the municipality, subject to 10- to 30- day published notice and a public hearing.

The Legislature has asked the Office of the State Auditor (OSA) to report the amount of tax increment dollars spent by development authorities on these job-generating projects and to identify the purpose for which the money is used. *Many of the spending plans received by the OSA to date do not provide this information. The OSA requests that spending plans be amended and forwarded to our office once the information requested by the Legislature becomes available.*

Some authorities are modifying the TIF plan of the district from which the tax increment revenue is generated. Modifying the TIF plan is not required by law. Modification, however, provides solid documentation and informs the county and school district concerning the new uses of tax increment.

**When Are TIF Plans Required?** The 2010 Legislature also gave development authorities temporary authority to use tax increment revenues generated by economic development districts to provide subsidies or assistance in any form to create jobs related to construction projects. For these projects, the development authority is required to adopt a tax increment plan, following the procedure required in the TIF Act.<sup>2</sup>

If a development authority intends to exercise this temporary authority, the tax increment plan for the economic development district must expressly state the authority's intention.

Further information on the Jobs Program can be found in the [August 2010 TIF Division Newsletter](#).

1. Minn. Stat. § 469.176, subd. 4m.
2. Minn. Stat. § 469.175, subs. 1, 2, and 3.