A bill for an act

relating to economic development; extending the deadline for spending tax increments under certain conditions; amending Minnesota Statutes 2010, section 469.176, subdivision 4m.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2010, section 469.176, subdivision 4m, is amended to read:

Subd. 4m. **Temporary authority to stimulate construction.** (a) Notwithstanding the restrictions in any other subdivision of this section or any other law to the contrary, except the requirement to pay bonds to which the increments are pledged and the provisions of subdivisions 4g and 4h, the authority may spend tax increments for one or more of the following purposes:

(1) to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, if doing so will create or retain jobs in this state, including construction jobs, and that the construction commences before July 1, ~~2011~~ 2013, and would not have commenced before that date without the assistance; or

(2) to make an equity or similar investment in a corporation, partnership, or limited liability company that the authority determines is necessary to make construction of a development that meets the requirements of clause (1) financially feasible.

(b) The authority may undertake actions under the authority of this subdivision only after approval by the municipality of a written spending plan that specifically authorizes the authority to take the actions. The municipality shall approve the spending plan only after a public hearing after published notice in a newspaper of general circulation in

the municipality at least once, not less than ten days nor more than 30 days prior to the date of the hearing.

(c) The authority to spend tax increments under this subdivision expires December 31, ~~2011~~ 2013.

EFFECTIVE DATE. This section is effective the day following final enactment.