

# COUNTY TIF INFORMATION FORM

## 2017 FORM INSTRUCTIONS

These instructions aid in the completion of the County TIF Information Form. If you desire additional assistance, please contact the Tax Increment Financing (TIF) Division of the Office of the State Auditor (OSA) at [TIF@osa.state.mn.us](mailto:TIF@osa.state.mn.us).

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### Table of Contents

What's New for 2017 .....	1
Issues Seen In 2016 Reporting: Pitfalls to Avoid.....	2
General Instructions.....	3
Home Tab.....	4
TIF Activity Tab.....	4
Distributions-Settlements Tab .....	7
TIF Enforcement Deduction Tab .....	11

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### What's New for 2017

#### **Use the State Auditor Form Entry System (SAFES) To Download and Submit Form**

Beginning this year, the County TIF Information Form can be downloaded and submitted through the State Auditor Form Entry System (SAFES) on the OSA website. SAFES can be accessed under the “Forms” menu on the OSA home page.

A username and password are required to log in to SAFES. Usernames and password instructions were emailed on February 7, 2018. If you do not have a username and did not get an email and need access, please contact us at 651-296-9255 or at [TIF@osa.state.mn.us](mailto:TIF@osa.state.mn.us).

For more details, refer to “Submitting the Form” under the “General Instructions” section below.

#### **Table of Error Messages**

Error messages appear in red in the right margin on each tab when an entry is incomplete or incorrect (when you first open the Form, red messages will be visible throughout). On the 2017 Form, a table has been added to the Home Tab that shows the number of unresolved red messages on each tab. A Form cannot be successfully uploaded via SAFES if there are any unresolved red messages.

Be sure to check that all error messages have been resolved prior to attempting to upload. Contact us by phone (651-296-9255 or 651-296-7979) or by email (TIF @osa.state.mn.us) if you run into problems resolving the error messages.

## Other Changes

There have been some changes to drop-down menus and various red messages. The choice of “Other” in the drop-down menus for authorities or districts has been removed (to enable each completed row to import). If an authority or district is not listed in a drop-down menu, put all of the information in the comments (and we will input it manually). There are no changes to the information required to complete the Form.

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## Issues Seen In 2016 Reporting: Pitfalls to Avoid

Below are some tips we offer for submitting the 2017 files based on issues encountered with the 2016 submissions:

- Submit the file as an Excel “.xlsx” file. Do not submit the file as a PDF.
- Resolve all the red messages. Do not overlook these messages in the right margin.
- Do not skip answering Yes or No questions on the TIF Activity Tab or lines 1 and 2 on the Distributions-Settlements Tab.
- Do not leave settlement amount columns blank. Do enter zeros if none.
- Do not leave DOR codes blank when entering new districts on the TIF Activity Tab or for any completed row on the Distributions-Settlements Tab.
- Do not reformat cells, hide rows, skip rows, or enter notes/headers in a row as this will break the import process.
- Do not cut and paste data into the Form as this will disrupt range names and break the import process.
- Do not enter two dates for both first- and second-half settlements when reporting districts receiving their first increment on the TIF Activity Tab. Do enter just the first settlement date.
- Enter amounts on line 3 of the Settlements-Distribution Tab when submitting the alternate file, but do not enter amounts when completing the table. (It will automatically sum the data entered and discrepancies can be noted in the comments.)
- Do not report redistributions of returned increment as distributions on the Settlements-Distributions Tab. (When it is redistributed it is no longer tax increment.)
- Do not take enforcement deductions out of redistributions of returned increment (as it is no longer tax increment).
- Do not enter any delinquent tax distributions as separate rows. Do include those amounts with current distributions in a single row.
- Make use of the comment boxes for any helpful communication. We have seen very helpful comments and explanations.

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## General Instructions

### **Availability of the Form**

2017 Forms will be posted in SAFES in early February 2018. An email will be sent announcing that the Form is available. If you do not receive an email or cannot access the Form by February 7th, please contact us at [TIF@osa.state.mn.us](mailto:TIF@osa.state.mn.us).

### **Downloading the Form**

Once it is available, the 2017 Form can be downloaded from the [State Auditor's Form Entry System \(SAFES\)](https://www.auditor.state.mn.us/SAFES) on the OSA website at <https://www.auditor.state.mn.us/SAFES>. In SAFES, download the Form by going to the “Forms” tab. Once there, make sure “2017” is selected and click on the “County” tab (not the “TIF” tab) to access the Form. You can download the Form and complete it offline.

If you have any issues with the SAFES process, please check our [SAFES Frequently Asked Questions](https://www.auditor.state.mn.us/default.aspx?page=safesfaq) page at <https://www.auditor.state.mn.us/default.aspx?page=safesfaq> or contact us at [TIF@osa.state.mn.us](mailto:TIF@osa.state.mn.us).

### **Reporting Requirement / Due Date**

This form is required under the OSA’s statutory authority to collect information from local governments. The 2017 Form is for reporting TIF activity, distributions, and TIF enforcement transfers in 2017, including cleanup settlements in January 2018. Since the statutory due date of March 31 falls on a Saturday, **the 2017 Form is due April 2, 2018.**

### **About This Form**

This form:

1. Collects essential information that enables oversight of the use of tax increment financing (TIF), which can help ensure that tax increment is returned to the county auditor for redistribution when appropriate; and
2. Ensures that accurate transfers of the TIF enforcement deduction are transferred to the State.

The form is an Excel file containing four tabs (worksheets): the Home Tab, the TIF Activity Tab, the Distributions-Settlements Tab, and the TIF Enforcement Deduction Tab. The Home Tab provides overview information, a link to these instructions, and important reminders; the TIF Activity and Distributions-Settlements tabs allow reporting of important information used for oversight purposes; and the TIF Enforcement Deduction Tab is used to identify transfers of the TIF enforcement deduction to the State.

## Form Fields

The fields in the form are color-coded:

	<u>White</u>	Data entry is expected.
	<u>Yellow</u>	Data is carried over from fields on other tabs and should not be altered.
	<u>Grey</u>	The field is not applicable (which may be contingent on selections in other fields).
	<u>Blue</u>	The field contains a formula that automatically calculates and should not be altered (except as instructed for Line 3 of the Distributions-Settlements Tab, if applicable).

## Submitting the Form

When the Form is completed, return to SAFES and use the “Submit Documents” Tab to upload the Form. Be sure to upload it as an “.xlsx” file and not as a PDF.

If you are sending the alternate file for the Distributions-Settlement Tab, the alternate file should be emailed to [TIF@osa.state.mn.us](mailto:TIF@osa.state.mn.us) after uploading the Form in SAFES. (In the future, we hope to enable you to upload the alternate file with the Form.)

If you have any issues with the SAFES process, please check our [SAFES Frequently Asked Questions](#) page or contact us at [TIF@osa.state.mn.us](mailto:TIF@osa.state.mn.us).

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## Home Tab

The Home Tab contains general information and a link to these instructions. It also highlights important notes and instructions.

A Form cannot successfully upload via SAFES if there are unresolved red messages in the Form. To help identify whether all red messages have been resolved, a table has been added to the Home Tab that shows the count of red messages on each tab. Be sure to check that all messages have been resolved prior to upload or the upload will fail. Contact us by phone (651-296-9255 or 651-296-7979) or by email ([TIF@osa.state.mn.us](mailto:TIF@osa.state.mn.us)) if you run into problems resolving the error messages.

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## TIF Activity Tab

The TIF Activity Tab is used for reporting information about: newly-certified districts; dates of actual first distributions of increment (which determines duration limits); the return of increment by development authorities; decertification of districts; enforcement of the Four-Year Knockdown Rule; and correction of errors activity. This information helps verify information reported by development authorities on TIF Annual Reporting Forms and also provides information not reported by development authorities. If you need to have additional lines displayed to fully report any of the information on this tab, please contact the OSA.

### **Line 1 – Newly-Certified Districts**

Select “Yes” or “No” from the drop-down menu to answer the question: “Were any new districts certified during 2017?” If you answer “Yes,” complete one row of the table for Line 1 for each new district certified.

The first column has a drop-down of development authorities that are active in the county. If the new district is for an authority that is not listed, provide the name of the authority and all the requested data for the district in the comment box on Line 8.

In the second column, provide the name of the district. Use the district name or include naming elements as provided by the authority to better enable the matching of districts reported on this form to districts reported by the authority. For example, if a county uses a code or number to refer to a district (e.g. 1802) and the authority refers to the district as “TIF 1-2 Acme Project,” providing a name such as “TIF 1-2 Acme (1802)” will facilitate better communication.

In the third column, provide the date of certification in the mm/dd/yyyy format.

The fourth column is optional and may be left blank if the county does not use its own numbering or coding system for identifying districts. If the county does use a county-assigned number or code, provide the number or code in this column. Note that the remaining columns ask for the Department of Revenue (DOR) codes, so if those are the codes used they need not be repeated in this column.

The last three columns are for the DOR codes. The DOR assigns a three-digit “Location” code associated with the development authority. The “District” code must also be three digits, but is assigned by the county rather than by DOR. This code must remain the same for the district from year to year and should not be reused. The two-digit “HSS” code is also assigned by the county rather than DOR. This relates to hazardous substance subdistricts (HSS). It is often “01” for the record containing the hazardous substance subdistrict and “00” for the overlying TIF district or any district that does not have a hazardous substance subdistrict. Refer to the Department of Revenue for more information about these codes. Provide any missing codes; do not leave blanks.

### **Line 2 – First Receipt of Increment**

Select “Yes” or “No” from the drop-down menu to answer the question: “Was the 2017 distribution the FIRST receipt of tax increment for any districts?” If you answer “Yes,” complete one row of the table for Line 2 for each district that received its first increment. This information is very important, because the first receipt of tax increment generally determines the maximum duration of a TIF district unless the TIF plan specifies a shorter duration.

In the first column, select the district from the drop-down menu that combines the development authority name and TIF district name for easy identification. If the district is not listed, this indicates that the district failed to be identified as a newly-certified district on earlier county reports and was not reported by the authority. If this is the case, provide the information and an explanation in the comment box on Line 8. In the second column, identify the month and year of the distribution in the mm/yyyy format. Only report the first date; do NOT report both first- and second-half dates on separate lines.

### **Line 3 – Return of Tax Increment**

Select “Yes” or “No” from the drop-down menu to answer the question: “Did any districts have tax increment returned during 2017?” If you answer “Yes,” complete one row of the table for Line 3 for each district that returned tax increment.

In the first column, select the district from the drop-down menu that combines the development authority name and TIF district name for easy identification.

In the second column, identify the amount of tax increment returned.

In the third column, identify the date that you received the returned increment using the mm/dd/yyyy format.

### **Line 4 – Decertified Districts**

Select “Yes” or “No” from the drop-down menu to answer the question: “Were any districts decertified during 2017?” If you answer “Yes,” complete one row of the table for Line 4 for each district that decertified. Please report all decertifications occurring during the year, even if the Confirmation of Decertified District Form still needs to be completed. Any time a district is decertified, a development authority must send the county a completed Confirmation of Decertified District Form to verify. Counties are responsible for decertifying districts at their proper time, whether that be the maximum duration limit; a limit specified in the TIF plan; upon notification from the authority or the OSA that the Six-Year Rule applies; or upon receiving a letter requesting decertification (using the date specified in the letter or the date the letter was received if not date is specified.) (*See* Minn Stat. § 469.177, subd. 12.)

In the first column, select the district from the drop-down menu that combines the development authority name and TIF district name for easy identification.

In the second column, identify the date of decertification using the mm/dd/yyyy format.

### **Line 5 – Four-Year Rule**

Select “Yes” or “No” from the drop-down menu to answer the question: “Did any districts have parcels removed under the Four-Year Rule during 2017?” If you answer “Yes,” complete one row of the table for Line 5 for each district that had parcels “knocked down.”

**Note:** Enforcement of the Four-Year Rule is a county responsibility. For more information see the [County TIF Guide](#), the [Statement of Position on the Four-Year Rule](#), and/or Minn Stat. § 469.176, subd. 6.

In the first column, select the district from the drop-down menu that combines the development authority name and TIF district name for easy identification.

In the second column, identify the date the parcels were removed using the mm/dd/yyyy format.

### **Line 6 – Correction of Errors**

The correction of error statute is found at Minn. Stat. § 469.177, subd. 13. Line 6 is not meant for simple corrections that fall outside of the kinds of errors of administration covered under this

statute. For example, this would not apply to the correction of a certification date when the correction carried no further consequence, but it would apply to adding a parcel that was missed during certification. For more information see the [County TIF Guide](#), the [Statement of Position on Correction of TIF Errors](#), and/or the statute.

To begin completing this line, select “Yes” or “No” from the drop-down menu to answer the question: “Did the county correct any errors under the correction of errors statute during 2017?” If you answer “Yes,” identify each district with such a correction in the table for Line 6.

In the table, select the district from the drop-down menu that combines the development authority name and TIF district name for easy identification. If the district is not listed, please identify the district in the comment box on Line 8.

### **Line 7 – County Administrative Costs**

Select “Yes” or “No” to answer the question: “Does this county charge for TIF administrative costs?” This information is collected purely for informational purposes. Counties are authorized to charge development authorities for the county’s costs incurred in administering the districts. The OSA appreciates having this information to verify costs reported by authorities and to respond to inquiries about how many counties are using this authority. (*See* Minn Stat. § 469.177, subd. 12.)

### **Line 8 – Comments**

Use this line to provide any comments or notes regarding information reported on this tab. This might include identifying authorities and districts not listed in drop-downs or mentioning prior-year activity that was left off of a previous report. Also, feel free to contact the OSA with any questions or explanations by email ([TIF@osa.state.mn.us](mailto:TIF@osa.state.mn.us)).

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## **Distributions-Settlements Tab**

The Distributions-Settlements Tab is used for reporting the distribution or settlement of tax increments to development authorities for each TIF district.

There are two options for reporting:

- (1) Complete the full Distributions-Settlements Tab and provide the distribution information in the Distribution Table on Line 4 (which has been partially prepopulated to reduce the amount of data entry); or
- (2) Generate and submit an alternate file in the specified format, completing only Lines 1-3 on this tab and skipping the table on Line 4.

### **Alternate File Instructions**

Counties may generate and submit their own file in the format specified below in lieu of completing the table on Line 4. This allows counties to produce a file from their own systems that contain the data. The optional file is largely intended for counties with dozens, or hundreds, of districts. Counties with fewer districts may find completing the table to be more efficient.

If a county chooses to submit an alternate file, the file must be in comma-separated-values format (with a “.CSV” extension). The file must contain only the information in Columns A through I from the Distribution Table on Line 4, arranged in the same order as the table.

In an alternate file, Columns A and C should be used for the names of the authorities and districts from the county system, and Column B should be left blank (assuming the county does not store the OSA name for the district in its system).

Optional columns must be included even if they are not populated. (They should be blank columns in the file exported by your system.) For example, if a county leaves Columns B and D blank (after reviewing the instructions for those columns), and had no January cleanup distributions, a record in its file might look like this:

```
Spruce EDA,,TIF 1-1 Loon Industries,,321,101,00,6329,
```

In the above example, the consecutive commas before and after the district name indicate blanks for Columns B and D and the blank space after the last comma represents Column I.

**Hint:** Excel can be used to create a proper CSV file. If your system allows the output of an Excel file, or you can copy and paste the data into an Excel file, you can manipulate the file, if necessary, to add or remove columns so it matches the Line 4 Distribution Table. An Excel file can be saved as a CSV file by choosing the CSV format when selecting “Save As.”

**Important:** Do not include a header row of column names in the file. Do not add any extra columns, rows, subtotals, totals, or text. For example, do not include Column J, which our system will automatically calculate. Do not change the meanings of Column H or I. For example, do not skip the cleanup column and provide the total instead. Do not break out separate records for delinquent distributions.

If you have questions about the alternate file or have other alternate formats you would like to see available in the future, please contact Jason Nord, OSA TIF Division Director, at [Jason.Nord@osa.state.mn.us](mailto:Jason.Nord@osa.state.mn.us) or 651-296-7979.

## **Instructions for the Distributions-Settlements Tab**

Note that column references are to the column labels in the green headers (not to Excel’s column labeling).

### **Line 1 – Distributions to Report**

Select “Yes” or “No” from the drop-down menu to answer the question: “Did this county make any TIF distributions/settlements in 2017?” A few counties have no tax increment districts that receive increment and can answer “No,” which allows the rest of the tab to be skipped. All others should answer “Yes.”

### **Line 2 – Reporting Choice**

Select “Table” or “File” from the drop-down menu to indicate whether the county is choosing to completing the Distribution Table on Line 4 or submitting the alternate file.

### Line 3 – Totals

If you choose to complete the Distribution Table on Line 4, the totals on Line 3 will automatically calculate from data entered there so totals should not be entered. (Use the comment line to explain any discrepancies.) If the alternate file is submitted, enter the corresponding totals in columns A and B. Column C will automatically sum those two amounts.

### Line 4 – Distribution Table

**Note: Please do NOT copy and paste data into this table.** This will prevent data from being imported into our system by disrupting invisible references in the form.

Complete one row for each tax increment district that received a distribution of increment in 2017. Districts will be populated for all active districts known to the OSA (the county may be aware of new districts before the OSA). This will include districts that have not yet received their first increment and decertified districts that are still actively reporting to the OSA.

If a TIF district spans more than one unique taxing area (UTA) and is maintained in the county system as multiple records, the table may include one row for each UTA with the code information repeated for each row. This is also true of districts such as housing replacement districts where different modifications are handled in the county system as separate records. One record per district, however, is preferred.

Hazardous Substance Subdistricts (HSS) should be reported as separate rows.

Previously reported data will be “prepopulated”, or automatically filled in on the form. This should leave Columns H and I as the main columns requiring entry. Districts will be populated if they are known, active districts that have had their first receipt of increment. New rows will need to be added for districts when they receive their first distribution.

Add new districts starting with the first blank (unpopulated) row. Column A in the blank rows will allow you to choose from a drop-down menu containing a list of authorities. If an authority is not listed, identify the authority, codes, and distribution information for that district in the comments box on Line 5. When adding a new row, leave Column B blank and enter a name in Column C even if Column C is left blank for prepopulated rows. Do not enter blank rows, subtotals, or any extra information on blank rows. Use the comment box on Line 5 for any additional notes or information as necessary.

If you need additional rows to be displayed, please contact the OSA at [TIF@osa.state.mn.us](mailto:TIF@osa.state.mn.us).

#### Column A – Development Authority Name

The name of the development authority will be prepopulated. As noted above, if a district is receiving a distribution for the first time and needs to be added, use the drop-down menu in the cell with the first blank row to select the authority.

#### Column B – OSA TIF District Name

The name of the district, as reported by the authority and maintained by the OSA, will be prepopulated. As noted above, if a district is receiving a distribution for the first time and needs to be added, leave this column blank in the added row and instead provide a name in Column C.

### Column C – County TIF District Name

This column is optional, except when a new district is being added and the name used by the OSA is unknown. The naming of districts in county systems may not always match the names used by the OSA. If you wish to populate this column to allow for easier reference each year, the OSA will prepopulate the name in future years to enable this efficiency. Having both names assists communication between counties, the OSA, and authorities.

### Column D – County TIF Code

This column is optional. Some counties assign codes (other than those codes used for DOR reporting and shown in Columns E – G) to their TIF districts and primarily use this code when working with TIF district data. If you wish to populate this column to allow for easier reference each year, the OSA will prepopulate the code in future years to enable this efficiency. Including the code may also assist communication between counties, the OSA, and authorities.

### **DOR TIF Codes (Columns E-G)**

Columns E, F, and G are used for reporting the codes used to report TIF information to the Department of Revenue (DOR). These codes allow the OSA to match information in this form with information provided by the DOR. It serves as a standardized coding system: the County TIF Code is not standardized across the DOR, OSA, and counties.

Provide any missing codes; do not leave blanks. As noted below, the Location code is assigned by the DOR, whereas the District and HSS codes are county-assigned but are used for DOR reporting and are to remain consistent each year. Refer to the Department of Revenue for more information about these codes.

### Column E – DOR Location Code

This column is for reporting the DOR-assigned, three-digit “Location” code associated with the development authority. If the code is not populated for the district, enter this code.

### Column F – DOR District Code

This column is for reporting the three-digit “District” code that the county assigns and uses when reporting TIF information to the DOR. This code must remain the same for each district from year to year and should not be reused for other districts after the first district to use the code decertifies. If the code is not populated for the district, enter this code.

### Column G – DOR HSS Code

This column is for reporting the two-digit “HSS” code that the county assigns to distinguish records for a Hazardous Substance Subdistrict. It is often “01” for the record containing the hazardous substance subdistrict and “00” for the overlying TIF district or any district that does not have a hazardous substance subdistrict. If the code is not populated for the district, enter this code.

### Column H – 2017 Distributions

Enter the total amount of tax increment distributed for each TIF district in 2017, excluding any cleanup settlement in January 2017. Do not include the TIF enforcement deduction amounts in

this table. These amounts are transferred to the State and are not distributed to development authorities or the districts. Do not include redistributions of tax increment returned to the county auditor by authorities as those redistributions are no longer tax increment.

#### Column I – January 2018 Clean-up Distributions

Enter the total amount of tax increment distributed for each TIF district as part of any cleanup settlement in January 2018.

#### Column J – Total TIF Distributions

This column is automatically calculated as the sum of Columns H and I.

#### **Line 8 – Comments**

Use this line to provide any comments or notes regarding information reported on this tab.

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### **TIF Enforcement Deduction Tab**

The TIF Enforcement Deduction Tab is used for reporting the payment of enforcement deduction amounts to the State. The TIF Enforcement Deduction is required under Minn. Stat. § 469.177, subd. 11, and is equal to 0.36% of any increment distributed to an authority. The deduction funds the TIF oversight activities of the OSA and is remitted to Minnesota Management and Budget (MMB). Each year, some of these payments seem to be missed or misdirected. This reporting helps to ensure that these funds are properly transmitted.

#### **Expected Enforcement Deduction Amount**

The first portion of this tab, or **Line 1**, serves as a reference and automatically calculates the expected amount of TIF enforcement deduction based on the total increment distributions reported on Line 3 of the Distribution-Settlements Tab. No entry of information is needed in this section. The total from that tab is carried over into Line 1, Column A. The distributed amount totaled in Column A should be the amount after the TIF enforcement deduction was removed. Dividing the Column A amount by 1-.0036 (0.9964) computes the total tax increment before the enforcement deduction was taken out. This is displayed in Column B. Column C then multiplies the total tax increment by the enforcement deduction percentage to calculate the amount expected to equal the enforcement deduction.

If the information in this section looks incorrect, please make a comment on Line 3.

#### **Enforcement Deduction Payments to the State (MMB)**

On Line 2, enter the amounts and dates of each payment or transfer of TIF enforcement deduction amounts to the State. This should generally include transfers from February 2017 through January 2018, and which relate to tax increment distributions for the 2017 tax year.

Typically only two or three transfers are expected (one for each settlement date), but additional rows are provided as some counties have made more frequent transfers. If more than eight

transfers were made, please combine the remaining amounts on row 8 and note the additional dates in the comment box on Line 3.

Enter the amounts in Column A and the dates in Column B. The total of amounts listed in Column A is automatically calculated and should be compared to the expected total from Line 1, Column C. Minor differences due to rounding may occur. However, please explain any differences greater than minor rounding errors in the comment box on Line 3.

**Line 3 – Comments**

Differences between the sum of Line 2 and the expected amount on Line 1, Column C, should be explained in the comment box. You may also use this line to provide any comments or notes regarding information reported on this tab.