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Tax Increment Financing Division Newsletter

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TIF Technical Amendments: Date Adjustment

During the 2005 Legislative Session, the 50-80 income test for rental properties (Minn. Stat. § 469.1761, subd. 3) was repealed. The effective date for this provision is June 30, 2004. Since it was not the intent of the legislature to make the repeal apply retroactively, please note that the effective date for the repeal should be June 30, 2005.

Minnesota Legal Compliance Audit Guide for Local Government

The office of the State Auditor is expanding its Legal Compliance Audit Guide to include TIF-related topics, including TIF district decertification and segregation of TIF funds. We anticipate the newly expanded guide to be ready by the end of October on our website under the "Educational Materials" hyperlink at www.auditor.state.mn.us.

Interfund Loan Requirements for TIF Expenditures

A participant at the MNCPA Audits of Local Governments Conference asked why the TIF Division requires the terms and conditions for repayment of interfund loans for TIF expenditures

be in writing and authorized by council resolution. Others, as well, may be interested in the answer. The TIF Act was amended in 2001 to require that loans from the general (or other) fund to finance TIF expenditures must be authorized by resolution before money is transferred, advanced, or spent. The terms of repayment must be in writing and include (i) the principal amount of the loan, (ii) the interest rate, and (iii) the maximum term. This TIF amendment is effective for loans and advances made after July 31, 2001 for all post-1979 TIF districts. See Minn. Stat. § 469.178, subd. 7 for details.

Clarification: Tip From Authority Recently Audited

We wish to clarify that when a TIF audit is in progress, the audit and its elements are confidential. Financial information of an authority is always public and can be disclosed by an authority to the county attorney if an authority wishes to discuss and make efforts to correct an applicable matter.

If you have any questions please contact us:

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