

TIF Division Newsletter



New Statement of Position

A new tax increment financing (TIF) Statement of Position entitled “[TIF Bond Financing of Project Costs](#)” has been released by the Office of the State Auditor (OSA). The Statement explains what a TIF bond is and identifies the types of bonds expressly authorized in the TIF Act. The characteristics of, and security for, each type of bond are described. Each TIF district established by a development authority is required to include in its TIF plan an estimate of the dollar amount of revenue it intends to raise through the issuance of bonds.¹ More than one type of bond can be identified in the TIF plan as a possible source of financing, but the estimate of the amount of revenue to be raised is to be a single number. The new Statement can be viewed by clicking [here](#).

The State Auditor’s website provides access to Statements of Position covering a variety of issues. The Statements are revised regularly to reflect changes in the law or to include additional helpful information. Notations in the lower left-hand corner of each Statement contain the dates on which each Statement was most recently reviewed and revised. These notations enable you to verify you are reading the most recent version of a Statement. Additional statements pertaining to TIF can be viewed [here](#).

2011 Annual TIF Reporting Forms Filed

The OSA commends the 95% of development authorities that filed their 2011 Annual TIF Reporting Forms by the August 1, 2012, statutory deadline. The OSA continues to work with those authorities that have not yet filed. To date, 22 of the 426 development authorities required to submit 2011 Annual TIF Reporting Forms have one or more reports outstanding.

The TIF Act requires that the OSA send a written notice on the third Tuesday in August to any authority or municipality failing to submit its reports.² A letter was sent by the OSA on August 21, 2012, to the mayor and council members of each municipality that failed to timely file one or more of its reports.

For reports not received by October 1st, the OSA must notify the county in which the development authority is located to withhold all tax increment payments until the Annual Reporting Forms have been submitted to the OSA. The county auditor is required to distribute the withheld tax increment within 15 working days after receiving written notice of compliance from the OSA.³ If your authority has not yet filed and you have questions, please contact Bob Odell by phone at (651) 296-4716, or by email at TIF@osa.state.mn.us.

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¹ Minn. Stat. § 469.175, subd. 1 (a) (5) (ii).

² Minn. Stat. § 469.1771, subd. 2a (a).

³ Minn. Stat. § 469.1771, subd. 2a (b).

The State Auditor Form Entry System (SAFES) Provides Easy Electronic Submission of TIF Plans

State law requires that all TIF plans be filed with the OSA **within 60 days** after the latest of: (1) the filing of the request for certification of the TIF district; (2) approval of the plan by the municipality; or (3) the adoption of the plan by the authority.⁴ All new and modified TIF plans must now be submitted electronically to the OSA using SAFES. If you have a plan that was not yet been filed or if you are having difficulty filing, please contact the TIF Division. We will be happy to assist you getting your TIF plans filed.

SAFES User Authorization Forms Have Been Revised

A [SAFES User Authorization Form](#) must be filed with the OSA before a user-password can be issued to a non-employee working on behalf of a development authority. The user-password acts as a signature and may be used only by the individual to whom it was issued. It should not be shared with anyone.

If you need SAFES access and are not an employee of the authority, please contact that authority's TIF representative. The TIF representative will assist you in getting a SAFES User Authorization Form submitted to the OSA. The form is valid for the period of time requested by the authority specified on the form. The authorization cannot exceed eighteen months from the date it was issued. If you think your user-password has been compromised, please change your username and password or notify the OSA right away. To cancel access to SAFES and to void a SAFES Authorization Form, please contact the TIF Division.

⁴ Minn. Stat. § 469.175, subd. 4a.