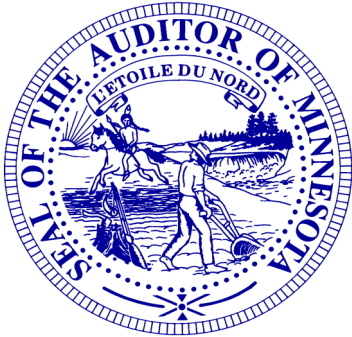


TIF Division Newsletter



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Office of the State Auditor
Tax Increment Financing Division
525 Park Street, Suite 500
Saint Paul, MN 55103

(651) 296-4716
Fax: (651) 297-3689
TIF@osa.state.mn.us

www.auditor.state.mn.us

PAYG and Interfund loans are TIF Bonds

The TIF Act requires that a TIF plan include the amount of bonds to be issued.¹ Interfund loans and pay-as-you-go (PAYG) notes are defined in the TIF Act as bonds.² Some TIF plans submitted to our office indicate that no bonds are to be issued, but then proceed to state that an interfund loan or PAYG note will be used. These types of financings must be included as bonds in the TIF plan and on reports submitted to our office.

If you have any questions, please contact us at 651-296-4716 or by e-mail at TIF@osa.state.mn.us. For more information, see these Statements of Position: [Bond Financing of Project Costs](#), [Interfund Loans](#), and [Pay-As-You-Go Obligations](#).

County Correction of Errors Questions

Past questions regarding the “correction of errors” section of the TIF Act.³

Q. Can a county bill an authority for the cost of staff time spent resolving correction of errors problems?

A. Yes. The TIF Act allows counties to bill for county administrative costs.⁴ Correcting errors consumes considerable administrative time. However, if the error was caused by the county, the Office of the State Auditor (OSA) recommends that, out of courtesy, the county not charge for correcting the error. If a county decides to bill an authority, it must submit a record of costs incurred, as required in the TIF Act.⁵

Q. Can the “correction of errors” provision be used when an authority changes its mind after decertifying the district early?

(continued)

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

² Minn. Stat. § 469.174, subd. 3.

³ Minn. Stat. § 469.177, subd. 13.

⁴ Minn. Stat. § 469.176, subd. 4h.

⁵ Minn. Stat. § 469.176, subd. 4h (a).

A. Only when the change is made in response to an error or mistake. If the authority requested a district be decertified early and then discovers there are outstanding obligations, the decertification may have been an error. If the authority merely changed its decision, there is no “error” to correct.

Q. Does the county need to notify anyone when an error correction has occurred?

A. Yes. If the county is using the correction of errors authority, the county auditor must notify the OSA and the Commissioner of Revenue of the correction.⁶

For more information, see our Statement of Position entitled [Correction of TIF Errors](#).

SAFES Authorization Reminder

All TIF reports and plans must be submitted to the OSA using the [State Auditor’s Form Entry System \(SAFES\)](#). If a development authority uses an auditor or consultant to submit TIF reports or plans, a signed authorization form must be submitted to the OSA. A current [User Authorization Form](#) must be on file with the OSA. The form must be completed and signed by both the development authority and by the auditor or financial consultant before being submitted to the OSA.

Remember that a user-password is a signature and may be used only by the individual to whom it was issued. It should not be shared with anyone. Please contact us if you have any questions or concerns with SAFES authorization.

⁶ Minn. Stat. § 469.177, subd. 13 (c).

TIF Statements of Position can be accessed by going to our website at:

www.auditor.state.mn.us

At the top of the page, choose “For Local Officials” then click “Statements of Position”

TIF Division Staff

If you have questions, please contact us:

Jason Nord
Assistant State Auditor/TIF Director
(651) 296-7979
Jason.Nord@osa.state.mn.us

Kurt Mueller
TIF Auditor
(651) 296-3680
Kurt.Mueller@osa.state.mn.us

Robert Odell
TIF Administrator
(651) 296-4716
Robert.Odell@osa.state.mn.us

Barbara Lerschen
TIF Analyst
(651) 296-4134
Barbara.Lerschen@osa.state.mn.us

Lisa McGuire
TIF Auditor
(651) 296-9255
Lisa.McGuire@osa.state.mn.us