

# TIF Division Newsletter



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## Certification of a District

After a TIF plan has been adopted, the authority must make a request for certification to the county auditor in order for the district to be certified. The county auditor must certify the original net tax capacity (ONTC) within 30 days of the receipt of the request and sufficient information to identify the parcels in the district.<sup>1</sup>

The county auditor uses the description of the TIF district provided in the TIF Plan to certify the ONTC. Timely certification is important given the numerous provisions of law that are tied to the certification date (e.g., reporting requirements, the four-year rule and the five-year rule).

Given the clarity of the county auditor's 30-day statutory deadline and given the importance of the certification date, authorities should not expect the county auditor to delay certification to wait for supplements and updates (i.e., splits and combinations of parcels) before the county auditor certifies the ONTC. The county auditor must certify the ONTC as required by statute if the TIF Plan contains sufficient information to identify the parcels included in the district.

The certification of the original local tax rate (OLTR) occurs at the time of the initial certification of the ONTC using the rate for the payable year applicable to the ONTC.<sup>2</sup> If the request for certification is made prior to June 30th, the previous assessment year will be used in determining the ONTC; requests made after June 30th will use the current assessment year to determine the ONTC.<sup>3</sup> For districts that request certification after June 30th, the ONTC must still be certified within 30 days of the receipt of the request even though the rate payable for the current assessment year is not available until tax rates are calculated. This ONTC certification date will be considered the certification date of the district. The original local tax rate can be certified when it becomes available.

<sup>1</sup> Minn. Stat. § 469.177, subd. 1 (a).

<sup>2</sup> Minn. Stat. § 469.177, subd. 1a.

<sup>3</sup> Minn. Stat. § 469.174, subd. 7.

**Annual TIF Report Filing Requirements**

Each year the TIF Division receives a number of phone calls from development authorities asking when the first annual TIF report is required to be filed for a new TIF district. A TIF report must be filed starting with the year that the county certifies the ONTC. A TIF report must be filed even though there may not have been any activity within the district. In addition, a TIF report must be filed for a district until the district has been decertified ***and*** all funds have been spent.<sup>4</sup>

**TIF Enforcement Deduction Reminder**

Counties please be sure to complete and submit the [TIF Enforcement Deduction Form](#). The report covers the time period of May 2012 through April 2013. E-mail notifications regarding this reporting requirement were sent to counties on Friday, April 5, 2013. The forms are due in our office no later than Friday, June 7, 2013. Questions regarding the form may be directed to Bob Odell by phone at (651) 296-4716 or by email at [TIF@osa.state.mn.us](mailto:TIF@osa.state.mn.us).

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

[www.auditor.state.mn.us](http://www.auditor.state.mn.us)

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

<sup>4</sup> Minn. Stat. § 469.175, subd. 6b.

**TIF Division Staff**

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