

TIF Division Newsletter



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Things to Remember When Completing the TIF Annual Reporting Form

The 2012 TIF Annual Reporting Forms and Pooled Debt Reporting Forms are now available. Some important things to remember when completing these forms are:

- The name of any pooled debt that is reported on the annual reporting form should match the name on the corresponding pooled debt report. Each name should be unique from other bonds. If changes to the names are needed, please let us know in the comments section of the debt page.
- If a new pooled debt form is needed, the authority must contact the TIF Division and provide the name and type of the obligation so we can generate the report and make it available in SAFES.
- If there is an interfund loan to/from a non-TIF account/fund, the account/fund must be identified. Providing a description such as "interfund loan" is not acceptable. Examples of acceptable descriptions would be "general fund" or "main street redevelopment fund." If an authority has a generic description, please provide a more detailed description in the comment section of the interfund loan tab.

If you have any questions concerning the 2012 TIF Annual Reporting Forms or Pooled Debt Forms, please review the [detailed instructions](#) located on the OSA website. If you do not find the answer to your questions, please contact us for further assistance.

Things to Remember While Using SAFES

- Be sure to update your contact information and then click "Verify." This verification must be done annually. You will not be able to proceed in SAFES until you have verified your information.

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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”

- If you use the “forgot your password” link to obtain a new password, be sure to go to the User Maintenance tab and change your password right away to something that you will remember.
- If you copy and paste a temporary password, make sure not to copy any extra spaces before or after the password.
- If you submit documents to more than one division of the OSA, multiple years may appear on the screen. Be sure that you are in 2012 to see and download the 2012 TIF Annual Reporting Forms and Pooled Debt Reporting Forms.
- Be sure to select the TIF tab while in the Form Status tab. Some users may have multiple options.
- If a TIF form that you need says “missing,” please contact the TIF Division.

For more information on using SAFES, please watch our helpful on-line [SAFES training video](#). If you need assistance with SAFES or TIF in general, please contact us via e-mail at TIF@osa.state.mn.us or call Bob at (651) 296-4716.

2013 TIF Legislation

The 2013 Legislature amended the following sections of the TIF Act:

- **Economic development districts.** Obsolete language related to qualified border retail facilities and to the temporary authority from the 2010 Jobs Bill is eliminated.
- **General government use.** The prohibition on using tax increment for improvements and equipment that primarily serve a decorative or aesthetic purpose, or that serve a functional purpose at a higher cost due to their design, is eliminated.
- **Four-year rule.** For districts certified between January 1, 2005, and April 20, 2009, the extension of the four-year rule to six years is replaced with an extension to December 31, 2016.

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- **Original net tax capacity adjustment; homestead market value exclusion.** Development authorities may elect to reduce the original net tax capacity of a TIF district for the effects of the homestead market value exclusion (HMVE) for a qualified district. To be a qualified district, three conditions must be met: (1) the district received a homestead market value credit of \$10,000 or more; (2) the district’s captured net tax capacity for taxes payable 2013 was reduced by 1.75 percent or more; and (3) either the district’s five-year rule still permits expenditures or the district’s debt service payments due in 2012 exceeded the increment received for taxes payable 2012.¹ Authorities making this election must notify the county auditor of the election no later than July 1, 2014.
- **Adjustment to original net tax capacity; qualifying district.** Original net tax capacity is reduced up to \$20,000 for qualifying districts. To qualify, the district must have been certified in 2011 and consist of 75 percent or more of class 4d low-income housing that averages over \$115,000 of market value per unit.
- **Distribution of excess taxes.** Taxes paid on captured tax capacity that are attributable to the general education levy, (which was newly expanded), must be returned to the school district.

In addition, special TIF legislation was enacted for Apple Valley, Bloomington, Ely, Glencoe, Maplewood, Minneapolis, The Mall of America, Oakdale, St. Cloud and the Dakota County CDA.

For more information, see [2013 Minn. Laws, chapter 143, article 9](#) or the [House Research Bill Summary](#).

¹The specific language used in the statute incorrectly describes one of the conditions a qualified district must meet. In this description, the OSA has interpreted the statute according to legislative intent. A technical amendment correcting the flawed language will be pursued.

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