

TIF Division Newsletter



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Reporting Reminder

A number of development authorities have yet to submit all required 2012 Annual Reporting forms. On October 1, 2013, notices to withhold tax increment will be sent to the county auditors of the districts that still have yet to file. These notices will direct county auditors to withhold the distribution of tax increment from these districts until the required forms have been submitted to the Office of the State Auditor (OSA).¹

If you have questions or are having difficulty filing or are unsure if all of your 2012 TIF reports are filed, please contact Bob Odell at (651) 296-4716 or TIF@osa.state.mn.us.

When Does an Authority Stop Filing Annual TIF Reports?

The TIF Act explicitly states that reporting requirements for a TIF district end when the district is decertified and all tax increment has been expended or returned to the county auditor.²

The county auditor decertifies a district by removing all remaining parcels from the district.³ Upon decertification, a [Confirmation of Decertified TIF District](#) form must be completed and submitted to the OSA. In addition, if a district is decertified before its required decertification date, a copy of the resolution decertifying the district must be submitted to the OSA.

After decertification, reporting must continue until all tax increment has been spent or returned to the county auditor, and no assets remain on the balance sheet. Remaining tax increment must be returned to the county auditor for redistribution. For more information on redistribution of tax increment revenues after the district is decertified, see the OSA's Statement of Position on [Redistribution of Tax Increment](#).

¹ Minn. Stat. § 469.1771, subd. 2a.

² Minn. Stat. § 469.175, subd. 6b.

³ Minn. Stat. § 469.174, subd. 28.

TIF Statements of Position

A Statement of Position (SOP) titled TIF Plan Requirements is now available on the OSA website. The SOP provides a summary of what the TIF Act requires a TIF plan to include.

The SOPs titled Four Year Knock-Down, TIF Jobs Stimulus, Redistribution of Tax Increment, and TIF Administrative Expenses have all been updated.

You can find all the TIF SOPs on the OSA website or by clicking [here](#).

Excess Increment Reminder

The TIF Act requires development authorities to determine annually the amount of excess tax increment for TIF districts as of December 31. The determination must be based on the TIF plan that is in effect for the district on December 31 and on the increments and other revenues received by the district that year. The authority must spend or return any excess increments to the county auditor within nine months (by September 30).⁴

The authority shall use the excess increment only to: (1) prepay any outstanding bonds; (2) discharge the pledge of tax increment for any outstanding bonds; (3) pay into an escrow account dedicated to the payment of any outstanding bonds; or (4) return the excess amount to the county auditor who must redistribute the excess amount to the city or town, county, and school district in which the TIF district is located in direct proportion to their respective local tax rates.⁵

For more information regarding excess increment, please refer to our Statement of Position [Redistribution of Tax Increment](#).

⁴ Minn. Stat. § 469.176, subd. 2(a).

⁵ Minn. Stat. § 469.176, subd. 2(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”

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