

# TIF Division Newsletter



## Annual TIF Legislative Report

The 2013 [TIF Legislative Report](#) is available on the Office of the State Auditor (OSA) web site. The report contains a summary of the 2012 TIF Annual Reporting Forms and the reviews concluded in 2013. The report is provided annually to the chairs of the legislative committees with jurisdiction over TIF matters as required by statute.

## 2013 TIF District Information from Counties

The [2013 TIF District Information Form](#) for property taxes payable 2013 is available on our website. The information requested on this annual form is needed by our office to prepare the 2013 TIF Annual Reporting Forms. Please e-mail, fax, or mail the completed form to our office by Friday, February 28. We appreciate the cooperation of counties in providing this information in a timely manner.

## County Administrative Expenses

Tax increment may be used to reimburse a county for actual administrative expenses incurred under the TIF Act. The county may require reimbursement by February 15th of the year following the year in which the expenses were incurred. To obtain reimbursement for the administrative costs, the county auditor must provide to the authority a record of the costs incurred by the county auditor for the administration of the authority's TIF districts.<sup>1</sup>

For more information regarding administrative expenses, please see the OSA's Statement of Position entitled [TIF Administrative Expenses](#), which has been recently revised for clarity.

*(continued)*

<sup>1</sup> Minn. Stat. § 469.176 subd. 4h.

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**The Four-Year Knockdown Rule**

TIF recorded on-line training videos are now available!

The videos can be found on our website at:

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

The recorded training videos will include: (1) an education series covering basic to complex TIF subjects; (2) an instruction series covering TIF reporting; and (3) a special topics series covering special issues related to TIF.

An authority must submit evidence to the county auditor that development activity has begun on parcels in a TIF district in accordance with the TIF plan within four years from the date of certification.<sup>2</sup> If the qualifying development activities, i.e., demolition, rehabilitation, renovation or other site preparation, has not taken place on a parcel, then the county auditor must exclude the original net tax capacity of the parcel from the TIF district. Installation of utility service, including sewer and water systems, does not qualify as development activity.

If subsequent qualifying activity takes place, the authority must certify to the county auditor that qualifying activity has taken place on the respective parcels. The authority may request that the most recent net tax capacity of the parcel be added back to the original net tax capacity of the TIF district.

For additional information regarding the four-year rule, please see the OSA’s Statement of Position entitled [Four-Year Knockdown Rule](#).

<sup>2</sup> Minn. Stat. § 469.176, subd. 6.

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