

TIF Division Newsletter



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Annual TIF Legislative Report Released

The 2014 [TIF Legislative Report](#) is now available on the Office of the State Auditor (OSA) website. The report summarizes TIF information from the 2014 TIF Annual Reporting Forms and provides a summary of the violations cited in the limited-scope reviews concluded in 2015.

The Report highlights current and long-term trends regarding the number and types of TIF districts, the amount of tax increment revenue generated over time and new certification activity. New this year is information on early decertifications by type of TIF district.

County Information Form Due February 29

The [2015 TIF District Information Form](#) requested from counties is due Monday, February 29. The form is available on our website and can be submitted by e-mail, fax, or US mail.

The form collects information from counties on TIF activity and tax increment distributions for taxes payable in 2015. The information collected will be used to prepare the 2015 TIF reporting forms that are filed by authorities in 2016.

We appreciate your cooperation in providing this information in a timely manner. Please feel free to contact the OSA with any questions regarding completion of the form at (651) 296-4716 or TIF@osa.state.mn.us.

TIF Videos

TIF Videos are available on the State Auditor’s website. The videos cover educational and instructional topics, including:

[Introduction to Tax Increment Financing](#)

[The History of TIF and Why It Matters](#)

[TIF District Types](#)

[TIF Pooling](#)

[Excess Increments vs. Excess Taxes](#)

[Instructions for Completing the TIF Plan Collection Form for New Districts](#)

[Instructions for Completing the TIF Plan Collection Form for Modified Districts](#)

Four-Year Knockdown Rule

A TIF authority must submit evidence to the county auditor that development activity has occurred on parcels in a TIF district in accordance with the TIF plan by February 1 of the fifth year following certification. County auditors must then review this evidence and enforce the Four-Year Knockdown Rule if no activity has occurred on a parcel.

If, after four years from the date of certification, the required development activities (i.e., demolition, rehabilitation, renovation or other site preparation) have not taken place on a parcel, then the county auditor must ensure no additional tax increment is taken from the parcel and 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 for purposes of this rule.

If subsequent development activity takes place, the authority must certify to the county auditor that development 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](#).

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