

TIF Division Newsletter



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2017 County TIF Training Update

Registration for County Tax Increment Financing (TIF) Training offered by the Office of the State Auditor (OSA) ends **June 30th**.

The training will focus on the roles and responsibilities of counties in TIF. Sessions will be offered from 1:00 pm to 4:00 pm on the following dates at:

- **Hastings** Tuesday, July 11, 2017;
- **Marshall** Wednesday, July 12, 2017;
- **Cambridge** Thursday, July 13, 2017; and
- **Moorhead** Monday, July 17, 2017

The training flyer with more information and links to registration can be found [here](#). If you have questions, please contact Jason Nord at (651) 296-7979.

2017 TIF Legislation

The 2017 Legislature enacted special laws providing exceptions to the TIF Act for 14 authorities. The Legislature also made the following changes to the TIF Act:

Housing district income limits The income limits for housing districts were modified to substitute higher income limits for projects receiving a loan or grant under the Minnesota Housing Finance Agency (MHFA) challenge program.

Increment references under five-year and pooling rules The definition of the phrase “revenues derived from tax increments paid by properties in the district” as used in the pooling limitations statute was updated to incorporate a missed reference (to exclude increments repaid by developers), and the exact usage of the phrase was corrected in several instances.

(continued)

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TIF Videos

TIF Videos are available on the State Auditor’s website

Education Series

[Introduction to TIF](#)

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

[TIF District Types](#)

[TIF Pooling](#)

[Excess Increments vs. Excess Taxes](#)

Instruction Series

[Completing the Pooled Debt Form](#)

[Completing the TIF Annual Reporting Form](#)

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

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

2017 TIF Legislation (cont.)

TIF for Workforce Housing Economic development district provisions were amended to allow increments from an economic development district to be used for workforce housing projects. To qualify, increments from the district must be used exclusively to assist rental housing developments, the municipality must make required findings that certain conditions have been met, and the county and school district must each approve the TIF plan by resolution.

To use this authority, the municipality must find that:

- The city is located outside the seven-county metropolitan area;
- The average vacancy rate for rental housing in the city or any other city within 15 miles has been 3 percent or less for at least the last two years;
- A business in the city or within 15 miles of the city that employs 20 or more full-time equivalent employees has provided a written statement that the lack of available rental housing has impeded the ability of the business to recruit and hire employees; and
- The city intends to use increments to develop rental housing.

Authority to certify districts for workforce housing expires June 30, 2027.

Interfund Loans Interfund loan provisions were modified to:

- Allow loans to be authorized by resolution up to 60 days after the money has already been transferred or spent;
- Authorize passage of the interfund loan resolution before or after the TIF plan is approved or the district is created;
- Authorize loan terms to be modified or amended prior to decertification;
- Allow interfund loans to be structured as draw-down or line-of-credit obligations; and
- Require the reporting of interfund loans and any amendment of loan terms made in each year’s TIF Annual Reporting Forms.

For more information, go to (links to outside site): [2017 Minn. Laws 1st Spec. Sess., chapter 1, article 6](#); or the [House Research Bill Summary](#).

TIF Division Staff

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