



May 2006

Tax Increment Financing Division Newsletter

- *2006 TIF Reporting Workshops - Update*
- *2005 TIF Online Reporting Forms Released*
- *Distribution of Excess Tax Increment*

2006 TIF Reporting Workshops - Update

Registrations for the 2006 TIF Reporting workshops are going well. Please remember the deadline for registering for the workshops is on May 26th. Directions and parking information will be emailed to each registered participant about three days before the workshop. *Participants desiring CPE Credits will receive 5 credits for attendance at a workshop.* A registration form for the workshop is available on the auditor website at www.auditor.osa.state.mn.us or by email at Marsha.Pattison@state.mn.us.

2005 TIF Online Reporting Forms Released

We are very pleased to have released the information to use the online 2005 TIF Reporting system. The forms have been emailed to the designated TIF representative. The TIF Division will not be sharing any usernames and passwords with anyone other than the designated TIF authority representative our office has on file. If the authority has other staff or individuals who complete the forms, this information will need to be forwarded to them by the authority. This year the State Auditor is requiring the reports be submitted electronically. The reports are due by August 1, 2006. If you are the authority's designated TIF representative and you have not received this email information, please contact Marsha.Pattison@state.mn.us.

Distribution of Excess Tax Increment

The TIF authority must annually determine the amount of excess increment, if any, for a TIF district. The determination must be based on the TIF plan in effect on December 31 of the year and the increments and other revenues received as of December 31 of the year. The TIF authority must spend or return the excess increments within 9 months after the end of the year. The authority must 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; (4) transfer to reduce a deficit in a district for which the request for certification was made before August 1, 2001; or (5) return the excess amount to the county auditor who must distribute 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. Within 30 days after making a distribution of excess tax increment to a school district, the county auditor must report to the Department of Education the amount of excess tax increment the school district received, so that the school district's state aid may be adjusted downward.

If you have any questions please contact us:

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