



TIF Valuation Administration Basics For County Auditors

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Tax Increment Financing Mechanics

- TIF authorizes a redirection of property taxes levied on valuation growth within a designated TIF Area to be used by TIF Authorities to pay debt (indebtedness) incurred for TIF projects and activities.
- These redirected taxes would normally have gone to the City, County, School, Community College, Ag Extension, Assessor, Township, etc. to pay for general operating items.



Authorized TIF Authorities

- Cities (Chapter 403)
- Counties (Chapter 403)
- Community Colleges (Chapter 260E)
- Rural Improvement Zones (Chapter 357H)



TIF Increment Tax to be Collected in FY2008/2009

	<u>Tax</u>	<u>%</u>
Cities	244,991,306	94.15
Counties	13,698,787	5.26
Community Colleges	64,860	0.02
Rural Improvement Zones	1,450,366	0.56
<hr/>		
Total	260,205,319	



Iowa Code

Chapter 403 - Urban Renewal

- “Municipality” means a City or County as defined in this Chapter.
- Over 99% of current TIF activity is authorized under Chapter 403.



Urban Renewal Area vs. TIF Area

- An **Urban Renewal Area** is an area defined by the Urban Renewal Plan.
- A **TIF Area** is the portion of the Urban Renewal Area authorized (by Ordinance) to generate Incremental Taxes.
- Typically the TIF Area is identical to the Urban Renewal Area.



Urban Renewal Plans – Resolution of Necessity

- A municipality must first adopt a resolution which finds that one or more slum, blighted, or economic development areas exist.
- This designation is an important key to determining Area life spans.



Urban Renewal Plans – General Requirements

- Numerous requirements in Chapter 403 include Boundary Identity, Plan Objectives, Notice, Consultation, Hearings and Approval.
- Those contemplating the creation of an Urban Renewal Area should seek appropriate legal or professional counsel.



An **Ordinance** is Required for TIF

- Section 403.19: “A municipality may provide by **ordinance** that taxes levied on taxable property in an urban renewal area each year by or for the benefit of the state, city, county, school district, or other taxing district, shall be divided as follows:.....”



TIF Tax Flow – Iowa Code Chapter 403.19 (2)

- States in part that increment tax is to be deposited in a special fund of the municipality to pay principal and interest on loans, advances, or indebtedness.



Urban Renewal Financing Uses Include

- Public Infrastructure (streets, sewers, sidewalks, etc.)
- Private Economic Development
- Slum and Blight Redevelopment




TIF Loans, Advances, and Indebtedness Include

- Rebate Agreements
- Internal Loans
- Bonds



Basic TIF Area Time Limits

- Slum and Blight – No Sunset.
- Economic Development – 20 Years.
(Adoptions prior to January 1, 1995 had no stated time limits.)
- Economic Development Related to NON-LMI Housing – See Section 403.22 for basic 10 and conditional 15 year limits.



Establishing Frozen Base Year Valuations

- The Frozen Base Year Valuations are those January 1 Valuations of the calendar year preceding the year in which TIF indebtedness is first certified to the county auditor.
- Note: For adoptions prior to January 1, 1995 the Frozen Base Year Valuations are those January 1 Valuations of the calendar year preceding the year in which the TIF ordinance was adopted.



TIF Authority Areas of Operation

- Cities – Within the City limits. With County consent, within 2 miles outside of the City limits.
- Counties – The area outside the two mile limits of a City. By joint agreement, the County may operate within the two mile limit and also within the City.



Agricultural Property Limitations

- Slum or Blighted Areas cannot include property assessed as agricultural for purposes of property taxation.
- Economic Development Areas cannot include agricultural land or land part of a century farm unless the owner agrees.



Amending A TIF Area

- An amendment involves the same process used to create the original area.
- Added property is subject to laws in effect at the time of addition. This typically means different frozen base years and life spans within an amended area because an amendment typically has no affect on property already included.



Separate TIF Base and Increment Taxing Districts Required For:

- TIF property with different levy rates (city full levy, city reduced ag levy, rural property, etc.)
- TIF property with different frozen base years (typically due to amendments.)
- TIF property with different life spans (typically due to amendments.)

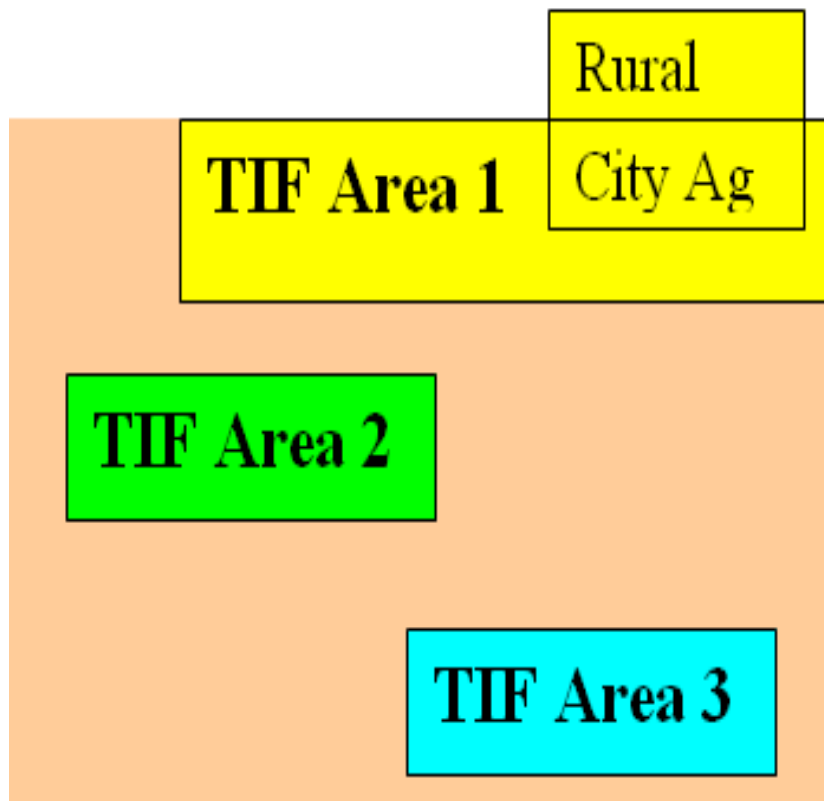


Optional Separate Base and Increment Taxing Districts for:

- **Rebate Agreements**
- Cities need to know the amount of TIF rebate agreement tax. Segregation of TIF rebate property into separate base and increment taxing districts is not required but is a common practice. It is one method for the county to notify the city, through the tax apportioning process, of the amount of rebate increment tax.
- There are other notification methods. Hear the presentation later in the program by Sandy Shonka of Cerro Gordo County. (Slide 58)

Example 1 for City A TIF Areas

(No Amendments)



- City A has three stand alone TIF Areas.
- Area 1 includes City Ag and Rural property requiring three base and three increment taxing districts to administer Area 1.



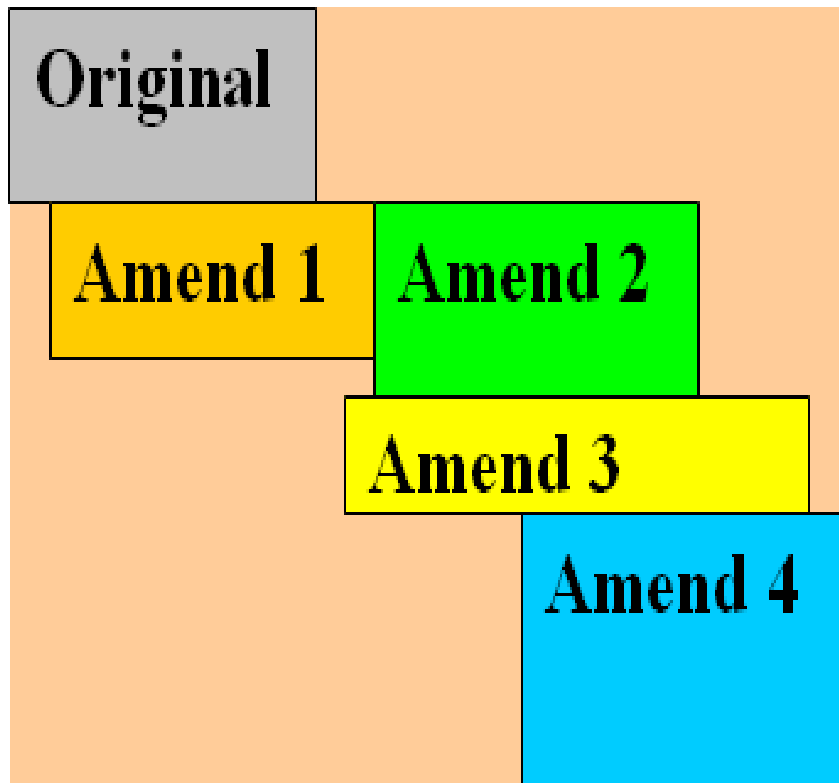
Example 1 - City A TIF Areas

Simplified Valuation Report Example

01001	CITY A AREA 1 URBAN RENEWAL	
	01056 CITY A CITY/ABC SCH/CITY A AREA 1 UR TIF INCREM	1,500,000
	01068 CITY A CITY AG/ABC SCH/CITY A AREA 1 UR TIF INCREM	200,000
	<u>01082 OXBOW TWP/ABC SCH/CITY A AREA 1 UR TIF INCREM</u>	<u>350,000</u>
	TOTAL FOR 01001 CITY A AREA 1 URBAN RENEWAL TIF AREA	2,050,000
01002	CITY A AREA 2 URBAN RENEWAL	
	<u>01062 CITY A CITY/ABC SCH/CITY A AREA 2 UR TIF INCREM</u>	<u>500,000</u>
	TOTAL FOR 01002 CITY A AREA 2 URBAN RENEWAL TIF AREA	500,000
01003	CITY A AREA 3 URBAN RENEWAL	
	<u>01064 CITY A CITY/ABC SCH/CITY A AREA 3 UR TIF INCREM</u>	<u>300,000</u>
	TOTAL FOR 01003 CITY A AREA 3 URBAN RENEWAL TIF AREA	300,000

Example 2 for City B TIF Area

(Single Area Amended Multiple Times)



- Each amended grouping will typically have different frozen base years/life spans requiring five base and five increment taxing districts for administration.



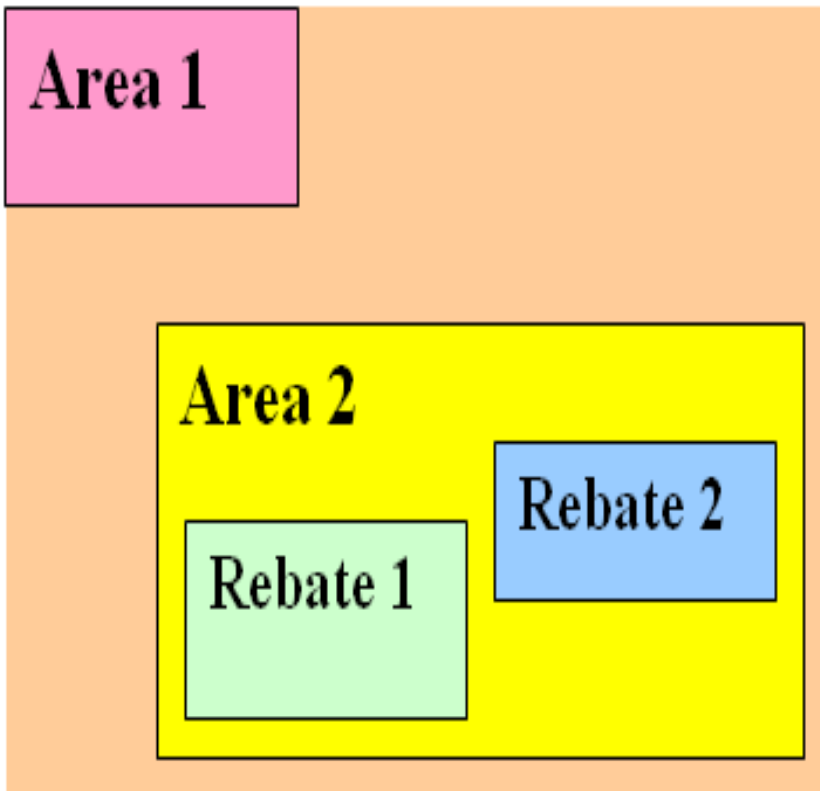
Example 2 - City B TIF Area

Simplified Valuation Report Example

01001	CITY B CENTRAL URBAN RENEWAL	
01110	CITY B CITY/Z SCH/CITY B CENTRAL ORIG UR TIF INCREM	1,963,395
01126	CITY B CITY/Z SCH/CITY B CENTRAL AMD 1 1998 UR TIF INCREM	543,328
01134	CITY B CITY/Z SCH/CITY B CENTRAL AMD 2 2000 UR TIF INCREM	970,375
01138	CITY B CITY/Z SCH/CITY B CENTRAL AMD 3 2002 UR TIF INCREM	43,328
01142	CITY B CITY/Z SCH/CITY B CENTRAL AMD 4 2004 UR TIF INCREM	869,595
<hr/>		
	TOTAL FOR 01001 CITY B CENTRAL URBAN RENEWAL TIF AREA	4,390,021

Example 3 for City C TIF Areas

(Multiple Areas & Segregated Rebate Agreements)



- Because Area 2 has two segregated rebate agreements, three base and three increment taxing districts are required for administration.



Example 3 - City C TIF Areas

Simplified Valuation Report Example

01001	CITY C AREA 1 URBAN RENEWAL	
	01150 CITY C CITY/CBA SCH/CITY C AREA 1 UR TIF INCREM	2,863,395
	<u>TOTAL FOR 01001 CITY C AREA 1 URBAN RENEWAL TIF AREA</u>	<u>2,863,395</u>
01002	CITY C AREA 2 URBAN RENEWAL	
	01172 CITY C CITY/Y SCH/CITY C AREA 2 UR TIF INCREM	1,963,563
	01178 CITY C CITY/Y SCH/CITY C AREA 2 REBATE 1 UR TIF INCREM	96,500
	01188 CITY C CITY/Y SCH/CITY C AREA 2 REBATE 2 UR TIF INCREM	536,000
	<u>TOTAL FOR 01002 CITY C AREA 2 URBAN RENEWAL TIF AREA</u>	<u>2,596,063</u>



TIF Debt Certification

- The amount of TIF Loans, Advances, Indebtedness, or Bonds, including the date of governing body approval, must be certified to the County Auditor by December 1.
- It is then a duty for the County Auditor to provide TIF taxes in each subsequent year without further certification.



Voluntary Reductions in TIF Tax Flow

- In any year, the county auditor shall, upon receipt of a certified request filed on or before December 1, reduce the TIF amount to be allocated in the following fiscal year to the extent the municipality requests fewer taxes which otherwise could be collected for TIF debt reduction.



TIF Debt Reduction From Sources Other Than TIF

- If for any reason the amount of TIF debt is reduced or paid down from sources other than TIF, a municipality shall certify such reductions to the County Auditor by December 1.



TIF Debt Certification Forms

- The Department of Management/Auditor of State, in consultation with TIF bond counsel, developed unofficial forms to help municipalities certify TIF debt.
- TIF Debt Certification Forms can be downloaded from the Iowa Department of Management's WEB site under the "TIF" link on the "Local Government" page.



Unofficial TIF Debt Certification Forms Overview

- **Form 1** - To certify TIF debt to the County Auditor.
- **Form 2** - To request a specific dollar amount of TIF tax when the tax, which otherwise could be collected for debt reduction, is not requested for the upcoming fiscal year.
- **Form 3** - To decertify previously certified TIF debt.
- See next 5 slides showing examples from the Debt Certification Forms (Excel workbook) package.

**INSTRUCTIONS FOR COMPLETING THE CITY TIF INDEBTEDNESS CERTIFICATION FORMS
USING MICROSOFT EXCEL**

Create a separate Excel workbook file for each Urban Renewal Area in your City naming the individual files using the Area Name and County-assigned Area Number.

FORM 1 - USED AS THE COVER SHEET FOR URBAN RENEWAL AREA INDEBTEDNESS CERTIFICATIONS

Enter the City, County, Urban Renewal Area Name, and County-assigned Urban Renewal Number on Form 1 which passes this information to all of the Forms 1.1. Use the Urban Renewal Names and Numbers assigned by the County Auditor.

Indebtedness amounts must be individually entered on Forms 1.1 where they are then carried forward and totaled onto Form 1.

FORM 1.1 - USED FOR ENTERING TIF INDEBTEDNESS NOT PREVIOUSLY CERTIFIED

List the individual TIF indebtedness obligations not previously certified to the County Auditor. Start entering data on Page 1 of Form 1.1 and move to subsequent pages if necessary.

List the type of indebtedness such as Rebate Agreement, Internal Loan, G.O. Bond, or TIF Revenue Bond.

For Rebate Agreements provide details such as % of TIF dollars going to the developer, maximum dollar amounts, time limits, etc. Where the county will be segregating the rebate property into separate TIF Base and Increment taxing districts, list the five-digit county-assigned TIF Increment taxing district number, if known. Error on the side of providing too much detail as opposed to not enough. Attach supporting documentation, such as development agreements, to aid the County Auditor in administering your request.

If indebtedness is legally structured to be subject to annual appropriation list only the amount that the City has obligated to pay next fiscal year.

**FORM 2 - USED ONLY FOR INDIVIDUAL FISCAL YEARS WHERE ALL OF THE LEGALLY AVAILABLE
TIF INCREMENT TAX IS NOT WANTED**

File Form 2 with the County Auditor by December 1, prior to any fiscal year, **ONLY** when for that upcoming fiscal

Instructions / Form 1 / Form 1.1 Page 1 / Form 1.1 Page 2 / Form 1.1 Page 3 / Form 1.1 Page 4 / Form 2 / Form 3,

**CODE OF IOWA SECTION 403.19 TAX INCREMENT FINANCING (TIF) INDEBTEDNESS
CERTIFICATION TO COUNTY AUDITOR**

**Due To County Auditor By December 1 Prior To The Fiscal Year TIF Increment Tax Is Requested
Use One Certification Per Urban Renewal Area**

City: CITY A County: SAMPLE

Urban Renewal Area Name: CITY A AREA 1

Urban Renewal Area Number: 01001 (Use five-digit Area Number Assigned by the County Auditor)

I hereby certify to the County Auditor that for the Urban Renewal Area within the City and County named above the City has outstanding loans, advances, indebtedness, or bonds, none of which have been previously certified, in the collective amount shown below, all of which qualify for repayment from the special fund referred to in paragraph 2 of Section 403.19 of the Code of Iowa.

Urban Renewal Area Indebtedness Not Previously Certified*: \$ 500,000

*There must be attached a supporting itemized listing of the dates that individual loans, advances, indebtedness, or bonds were initially approved by the governing body. (Complete and attach 'CITY TIF FORM 1.1')

The County Auditor shall provide the available TIF increment tax in subsequent fiscal years without further certification until the above-stated amount of indebtedness is paid to the City. However, for any fiscal year a City may elect to receive less than the available TIF increment tax by certifying the requested amount to the County Auditor on or before the preceding December 1. (File 'CITY TIF FORM 2' with the County Auditor by the preceding December 1 for each of those fiscal years where all of the TIF increment tax is not requested.)

A City reducing certified TIF indebtedness by any reason other than application of TIF increment tax received from the County Treasurer shall certify such reduced amounts to the County Auditor no later than December 1 of the year of occurrence. (File 'CITY TIF FORM 3' with the County Auditor when TIF indebtedness has been reduced by any reason other than application of TIF increment tax received from the County Treasurer.)

TIF INDEBTEDNESS NOT PREVIOUSLY CERTIFIED ELIGIBLE FOR TAX COLLECTIONS NEXT FISCAL YEAR

City: CITY A County: SAMPLE

Urban Renewal Area Name: CITY A AREA 1

Urban Renewal Area Number: 01001 (Use five-digit Area Number Assigned by the County Auditor)

Individual TIF Indebtedness Type/Description/Details:	Date Approved*:	Total Amount:
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1. Internal loan.	November 4, 2006	500,000

* this box if a rebate agreement. List administrative details on lines above.

2. _____	_____	_____

* this box if a rebate agreement. List administrative details on lines above.

3. _____	_____	_____

CITY TIF FORM 2

SPECIFIC DOLLAR REQUEST FOR AVAILABLE TIF INCREMENT TAX FOR NEXT FISCAL YEAR
CERTIFICATION TO COUNTY AUDITOR

Due To County Auditor By December 1 Prior To The Fiscal Year
Where Less Than The Legally Available TIF Increment Tax Is Requested
Use One Certification Per Urban Renewal Area

City: CITY A County: SAMPLE

Urban Renewal Area Name: CITY A AREA 1

Urban Renewal Area Number: 01001 (Use five-digit Area Number Assigned by the County Auditor)

I hereby certify to the County Auditor that for the next fiscal year and for the Urban Renewal Area within the City and County named above, the City requests less than the maximum legally available TIF increment tax as detailed below.

Provide sufficient detail so that the County Auditor will know how to specifically administer your request. For example you may have multiple indebtedness certifications in an Urban Renewal Area, and want the maximum tax for rebate agreement property that the County has segregated into separate taxing districts, but only want a portion of the available increment tax from the remainder of the taxing districts in the Area.

Specific Instructions To County Auditor For Administering The Request That This Urban Renewal Area Generate Less Than The Maximum Available TIF Increment Tax:	Amount Requested:
For the Fiscal Year 2008/2009 taxes.	10,000

**TIF INDEBTEDNESS HAS BEEN REDUCED BY REASON OTHER THAN APPLICATION OF
TIF INCREMENT TAX RECEIVED FROM THE COUNTY TREASURER
CERTIFICATION TO COUNTY AUDITOR
Use One Certification Per Urban Renewal Area**

City: CITY A County: SAMPLE

Urban Renewal Area Name: CITY A AREA 1

Urban Renewal Area Number: 01001 (Use five-digit Area Number Assigned by the County Auditor)

I hereby certify to the County Auditor that for the Urban Renewal Area within the City and County named above, the City has reduced previously certified indebtedness, by reason other than application of TIF increment tax received from the County Treasurer, by the total amount as shown below.

Provide sufficient detail so that the County Auditor will know how to specially administer your request. For example, you could have multiple indebtedness certifications in the Urban Renewal Area, and the County Auditor would need to know which particular indebtedness certification(s) to reduce. If rebate agreements are involved with a reduction, and the County has segregated the rebate property into separate TIF Increment taxing districts, provide the five-digit county increment taxing district numbers for reference.

Individual TIF Indebtedness Type/Description/Details:	Amount Reduced:
The amount of the forgivable grant funds to be provided to XYZ Company has been reduced by 5,000.	5,000



With TIF Debt Certified

- Determine the available TIF increment valuation for a **TIF Area** by individually entering the valuation for each pair of TIF Base & Increment Taxing Districts into the formula on the next slide.
- If the Area has more than a pair of Base/Increment taxing districts, add up all of the individual Increment amounts.

Formula To Determine Base and Increment Valuations

A	B	C	D	E	F
100% Frozen Base Valuation	100% Budget Year Valuation	Amount of Budget Year Rollback	Taxable Budget Year Valuation	Taxable Budget Year Base Valuation	Taxable Budget Year Increment Valuation


A – C = E (Taxable Budget Year Base Valuation)*

D – E = F (Taxable Budget Year Increment Valuation)

Column A is the 100% Assessed Frozen Base Valuation of the taxable property

Column B is the 100% Assessed Budget Year Valuation of the taxable property

***If 'A – C' produces a negative amount, use '0' for Column E**



Rollback Subtracted From Base Valuations – Background Information

- Code of Iowa 403.20 requires rolled back valuation to be subtracted from the Base valuation.
- The next two slides show the effect of subtracting the Rolled Back valuation from the Base valuation. Base taxable valuations can be driven to “0”.

Example 1 - Rollback Driving Taxable Base to Zero

A	B	C	D	E	F
100% Frozen Base Valuation	100% Budget Year Valuation	Amount of Budget Year Rollback	Taxable Budget Year Valuation	Taxable Budget Year Base Valuation	Taxable Budget Year Increment Valuation

YEAR 1 - Base Year All Residential (50% Rollback)

1,000,000	1,000,000	500,000	500,000	500,000	0
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YEAR 2 - Add 200,000 Residential Value (50% Rollback)

1,000,000	1,200,000	600,000	600,000	400,000	200,000
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YEAR 3 - Add 800,000 Residential Value (50% Rollback)

1,000,000	2,000,000	1,000,000	1,000,000	0	1,000,000
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Example 2 - Rollback Driving Taxable Base to Zero

A	B	C	D	E	F
100% Frozen Base Valuation	100% Budget Year Valuation	Amount of Budget Year Rollback	Taxable Budget Year Valuation	Taxable Budget Year Base Valuation	Taxable Budget Year Increment Valuation

YEAR 1 - Base Year No Rolled Back Property


1,000,000	1,000,000	0	1,000,000	1,000,000	0
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YEAR 2 - Add 1,000,000 Non-Rolled Back Property

1,000,000	2,000,000	0	2,000,000	1,000,000	1,000,000
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YEAR 3 - Add 2,000,000 of Residential Value (50% Rollback)

1,000,000	4,000,000	1,000,000	3,000,000	0	3,000,000
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Compare Formula-Driven Results to Your System Results

- After valuation amounts for the TIF Base/Increment pairs have been individually entered into the Formula, compare those formula-driven results to the results from your computer system.



If Formula-Driven Results Don't Match Your System Results

- Reallocate frozen base valuation between property classes or parcels (depending on your particular in-house software) until the formula-driven results are achieved.*
- *This procedure is necessary in order to generate the maximum TIF Tax available.



How to Compute TIF Increment Property Tax

- Increment Valuation divided by 1000 times the Net Consolidated Taxing District Rate*.
- *The Net Consolidated taxing district rate is the Gross Consolidated Tax Rate less any Debt Service and K-12 Physical Plant & Equipment tax rates. See the 2 slides that follow for more explanation.



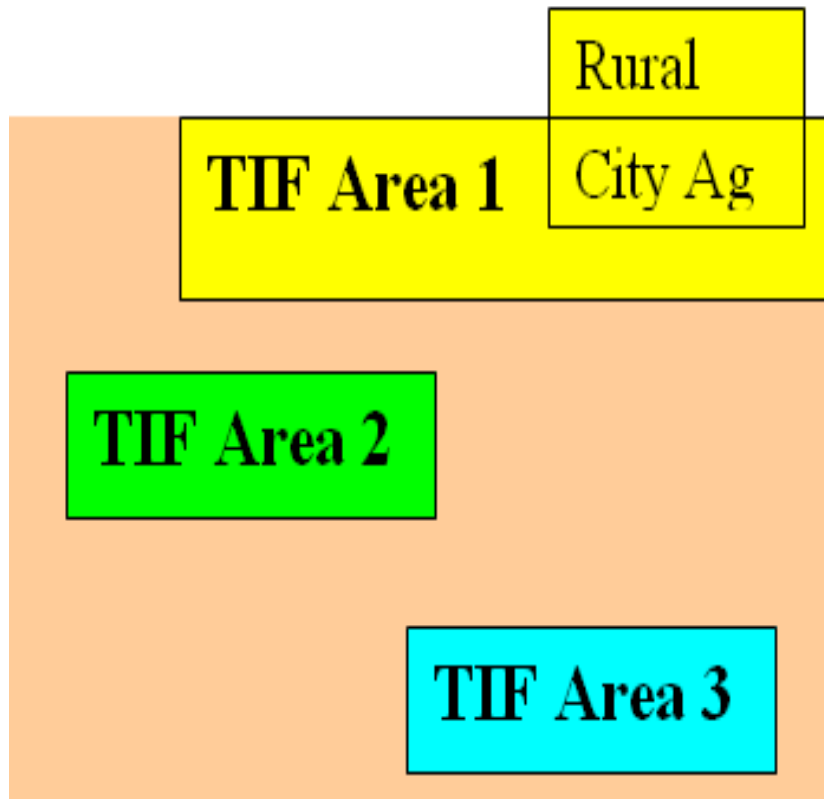
Certain Tax Levies Are Exempt From TIF:

- Debt Service levies for any local levying authority's bonds and interest.*
- Regular and Voter-Approved Physical Plant and Equipment levies for K-12 school districts.*
- *These levies are applied against increment valuation without limitation.

Net Consolidated Taxing District Rate Example

Levy Authority	Gross Levy Rates	Less: Debt Service Rates	Less: K-12 PPEL Rates	Equals: Net Levy Rates
COUNTY	5.76879	0.56986		5.19893
SCHOOL	14.75986	1.26593	1.67000	11.82393
AG EXTENSION	0.29848			0.29848
COUNTY ASSESSOR	0.45033			0.45033
CITY	12.80880	1.98284		10.82596
COMM COLLEGE	0.70814	0.36147		0.34667
STATE	0.00350			0.00350
Totals	34.79790	4.18010	1.67000	28.94780

TIF Area 1 for City A used to Demonstrate the Computing of TIF Property Tax



- TIF Area 1 includes City Ag and Rural property requiring three base and three increment taxing districts – each having a different net consolidated tax rate.

TIF Increment Valuation for City A TIF Areas

Base & Increm Taxing Districts	A 100% Frozen Base Valuation	B 100% Budget Year Valuation	C Amount of Budget Year Rollback	D Taxable Budget Year Valuation	E Taxable Budget Year Base Valuation	F Taxable Budget Year Increment Valuation
01055 & 01056	5,000,000	6,500,000	1,800,000	4,700,000	3,200,000	1,500,000
01067 & 01068	500,000	700,000	100,000	600,000	400,000	200,000
01081 & 01082	750,000	1,100,000	200,000	900,000	550,000	350,000
CITY A AREA 1 URBAN RENEWAL TOTAL:						2,050,000
01061 & 01062	4,000,000	4,500,000	2,000,000	2,500,000	2,000,000	500,000
CITY A AREA 2 URBAN RENEWAL TOTAL:						500,000
01063 & 01064	1,000,000	1,300,000	750,000	550,000	250,000	300,000
CITY A AREA 3 URBAN RENEWAL TOTAL:						300,000

A – C = E (Taxable Budget Year Base Valuation)*

D – E = F (Taxable Budget Year Increment Valuation)

Column A is the 100% Assessed Frozen Base Valuation of the taxable property

Column B is the 100% Assessed Budget Year Valuation of the taxable property

*If 'A – C' produces a negative amount, use '0' for Column E

TIF Tax Computation for the Three Area 1 Increment Taxing Districts

TIF Increment Taxing District	Increment Valuation	Increment Valuation Divided by 1,000	Multiplied by Net Consolidated Tax Rate	Equals: TIF Increm Prop Tax
01056	1,500,000	1,500	28.94780	43,422
01068	200,000	200	19.14275	3,829
01082	350,000	350	19.36592	6,778
TOTAL TIF INCREMENT TAX FOR AREA 1				54,029



County Auditor TIF Indebtedness/ Revenue Reconciliation Forms

- DOM/AOS developed spreadsheets for County Auditors to record TIF taxes paid out by the County Treasurer against certified TIF indebtedness – providing for a running balance of outstanding TIF indebtedness. (Find these forms under “TIF” under “Local Governments” on the DOM WEB site.)
- The next 5 slides show the top portions of the forms. See actual forms for full details.

**URBAN RENEWAL AREA TIF INDEBTEDNESS/INCREMENT TAX RECONCILIATION
TO BE ANNUALLY UPDATED BY THE COUNTY AUDITOR**

For Areas Which Will NOT Include Rebate Property Segregated Into Separate Taxing Districts*

*If at a later time you segregate rebate property into separate taxing districts within the Urban Renewal Area you will have to transfer all data to the reconciliation form set which specifically includes provisions for segregated rebate agreements.

City or County: CITY A Date Prepared: December 28, 2008

Urban Renewal Area Name: CITY A AREA 1

Urban Renewal Area Number: 01001 (Five-digit Area Number Assigned by the County Auditor)

Enter the City or County, Area Name, Area Number, and Date Prepared above. (Entries carry to other sheets.)

Enter certified TIF indebtedness on Page 2.

Enter the TIF increment tax apportioned in all prior fiscal years on Page 3.

Enter the current year tax list TIF increment tax on Page 4.

Enter next fiscal year's projected TIF increment tax on Page 5.

The Numbers Below are Formula-driven Totals from Pages 2 through 5.

Certified TIF Indebtedness:	<u>495,000</u>
Less: TIF Tax Apportioned Prior Fiscal Years:	(<u>45,016</u>)
Less: TIF Tax To Be Apportioned Current Fiscal Year:	(<u>10,000</u>)
Less: TIF Tax To Be Apportioned Next Fiscal Year:	(<u>54,029</u>)
Equals: Projected TIF Indebtedness Remaining at the End of Next Fiscal Year*:	<u><u>385,955</u></u>

*Reduce TIF tax if negative.

Create a separate Excel workbook file for each Area naming each file using the Area Name and Number.



Two Reconciliation Form Sets

- One form set is for TIF Areas WITHOUT rebate property segregated into separate taxing districts.
- One form set is for TIF Areas WITH rebate property segregated into separate taxing districts. This workbook has separate worksheets for each rebate.



Annually Update and Provide Reconciliation Forms to Municipalities

- Annually update and provide reconciliations to Municipalities for review as soon as possible after December 1.
- Ask the municipality to immediately notify you if any of the numbers on the Reconciliation appear to be in error.



Solutions/Tyler Technologies User Presentations

- How to annually allocate frozen base in order to achieve the (slide 37) formula-driven base and increment valuations.
- Questions and Answers: Solutions, Tyler Technologies, and Independent software users.



Alternatives to Segregating Rebate Property into Separate Tax Districts

- Sandy Shonka (Cerro Gordo County Auditor's Office) will share her tracking and notification methods for TIF rebate agreement property. (Referenced earlier in Slide 19.)
- Cerro Gordo County does not segregate TIF rebate property into separate base and increment taxing districts.



TIF Authority Typical Tax Increment Financing Process Overview

- Incur debt within the urban renewal (TIF) area and use the proceeds for a project in accordance with the urban renewal plan.
- Certify the TIF debt to the County Auditor including all of the required elements.
- Receive the TIF tax from County Treasurer and pay the TIF indebtedness.



Typical TIF Debt Creation/ Repayment Accounting Scenario

- Borrow dollars (internal from another fund or external via bonds or notes).
- Proceeds placed in a Capital Projects Fund.
- Incur/pay expenses for authorized TIF project.
- By December 1, certify TIF debt to Co. Auditor.
- County Auditor divides out increment valuations.
- TIF tax collections are receipted into TIF Special Revenue Fund to repay the certified debt.
- Debt is repaid.



TIF Debt Incurred for Economic Development Grant Example

- The authorized economic development grant is disbursed to the grantee.
- The disbursement is identified to the voucher level and presented to the board or council for approval as TIF debt.
- By December 1, certify the TIF debt to County Auditor.
- County Auditor divides out increment valuations.
- TIF tax collections are receipted into TIF Special Revenue Fund to repay the certified debt.
- The fund from which the grant was paid is reimbursed.



Excess TIF Balances

- Cannot think of many reasons why an entity would have more TIF cash on hand than outstanding certified debt.
- If excess TIF cash exists – should be a red flag – entity should consult legal counsel to resolve.