

2023 Compliance Guides **COUNTY COMPLIANCE GUIDE**

		Non-compliance Noted / FY	FY23				FY24				FY25			
			Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
			RISK				RISK				RISK			
			H	M	L		H	M	L		H	M	L	
TAX INCREMENT FINANCING: 1. Determine tax increment financing (TIF) collections were properly recorded in a separate Special Revenue Fund (TIF fund) as required by Chapter 403.19 of the Code of Iowa. 2. Determine the TIF collections in the TIF fund were disbursed or transferred to pay TIF obligations that qualify for payment (within the urban renewal plan) from TIF collections, and such obligations were previously certified to the County Auditor as TIF debt and/or Low-Moderate Income housing (LMI). Note 1: The payment of attorney fees, legal fees, recording fees, project costs or other costs are never allowable to be paid from TIF funds. Note 2: If the County incurs attorney fees, legal fees, recording fees, project costs or other costs within the urban renewal area and in accordance with the urban renewal plan and wishes to use TIF funds to cover the costs, the County must: a. Pay the costs out of an allowable fund such as the General Fund. b. Board of Supervisors approves an advance from the allowable fund to the TIF Fund.	1													
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TAX INCREMENT FINANCING (continued):														
c. County certifies the advance to the County Auditor.														
d. County collects TIF revenue.														
e. County repays the advance from the TIF Fund to the allowable fund which paid the costs.														
3. Determine the Urban Renewal Area TIF Indebtedness/Increment Tax Reconciliations were prepared by the County Auditor to ensure no overpayments of TIF revenue will occur.	2													
4. Determine the following regarding the Tax Increment Debt Certificate due December 1 of the fiscal year under audit as required by Chapter 403.19(6)(a) of the Code of Iowa:														
a. The Certificate was filed by December 1.	1													
b. The amounts certified on Form 1 and Form 1.1, or equivalent documents, were for TIF debt not previously certified.	1													
c. The amounts certified on Form 1 and Form 1.1, or equivalent documents, were supported and represent loans, advances or other qualified indebtedness or bonds which qualify for payment from the TIF revenues of the urban renewal area in which the debt was certified.	1													

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TAX INCREMENT FINANCING (continued):														
NOTE: For annual appropriated debt, the amount certified should be limited to the amount appropriated to be paid in the next fiscal year.														
d. The qualified TIF indebtedness is for a program in the urban renewal area, for an activity covered by the allowable list in Chapters 403.6(6) and 403.12(1) of the Code of Iowa, for a project covered by the plan and must further the goals of the plan.	1													
e. If applicable, determine if the general obligation debt certified is correct. Only the portion of the debt funded by TIF revenues should be certified. Any portion of the debt funded by levying debt service dollars should be excluded.	1													
f. The County used Form 2, or an equivalent document, to properly reduce the TIF request if/when the total amount of the legally available TIF increment tax was not wanted.	1													
g. The County certified Form 3, or an equivalent document, to reduce the amount previously certified by December 1 in the year action was taken which resulted in the reduction, as required by Chapter 403.19(6)(b) of the Code of Iowa.	1													

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TAX INCREMENT FINANCING (continued):														
NOTE: Required reductions include payments from sources other than TIF revenue, interest on investments, site proceeds of TIF property, reduction of required principal and interest payments due to refunding or refinancing of the obligation or for any other reason (i.e. interest earned or property sales proceeds are required to be credited to the TIF fund).														
5. Annual Urban Renewal Report:														
a. Obtain the urban renewal report due December 1 of the fiscal year under audit and determine the:														
1) Report was approved by the Board of Supervisors.	1													
2) Report was filed on or before December 1 as required by Chapter 331.403(3)(a).	1													
3) Amounts reported on the Levy Authority Summary agree with County records.	1													

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TAX INCREMENT FINANCING (continued):														
b. Obtain and review the County's detailed TIF obligations (debt) listings and determine "TIF Debt Outstanding" on the Levy Authority Summary includes the following:														
1) <u>Certified Debt</u> – TIF obligations outstanding, including principal and interest, certified to the County Auditor as of July 1 of the period covered by the urban renewal report and ,	1													
2) <u>Certifiable Debt</u> – Outstanding TIF obligations incurred during the fiscal year covered by the urban renewal report, including annual appropriation debt not yet certified.	1													
c. Determine rebate agreements, if any, have been properly reported as project(s), including total debt and expense.	1													
d. TIF collections remaining after an urban renewal area is no longer active, if any, were returned to the County Treasurer as required by Chapter 24.21 of the Code of Iowa.	1													
e. Determine if TIF collections have ceased for TIF taxing districts that have statutorily ended.	1													

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TAX INCREMENT FINANCING (continued):														
6. For urban renewal areas with public improvements related to housing and residential development, determine if assistance for low and moderate income (LMI) housing was provided in accordance with Chapter 403.22 of the Code of Iowa.	1													
7. For reinvestment districts established in economic development enterprise zones or urban renewal areas, obtain a copy of the report due October 1 and determine if the report includes the following pursuant to Chapter 15J.4(6) of the Code of Iowa:														
a. The status of each project undertaken in the district in the previous 12 months.	2													
b. An itemized list of expenditures from the reinvestment project fund for projects undertaken in the district in the previous 12 months.	2													
c. The amount of total project cost remaining for each project undertaken within the district as of the date of the report.	2													
d. The amounts, types and sources of funding used for each project.	2													

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TAX INCREMENT FINANCING (continued): e. The amount of any indebtedness incurred for each project, including information related to the rate of interest, term, issuance costs, net proceeds and types of funds to be used for payment. 8. For reinvestment districts, determine if the project funds on hand, including interest, exceed the amount necessary to support completion of the project and any excess was remitted to the Iowa Department of Revenue pursuant to Chapter 15J.7(1) of the Code of Iowa.														