

Tax Increment Financing – The Rest of The Story

Penny Thompson, CMA RES AAS

Part One

Review of assessor responsibilities:

During the formation the TIF district

At the annual tax commitment

With annual reporting to Maine Revenue Service

Some other responsibilities that the assessor may be asked to assume:

Answer questions about Tax Increment Financing

Assisting taxpayers with Credit Enhancement Agreement applications

Calculate tax shift formulas

Part Two

Since municipal governments seem to have high turnover recently, the assessor might be the one employee with institutional knowledge about the municipality's Tax Increment Financing Districts when a new manager or finance director is hired. How can the assessor best serve the community by helping educate these new leaders? What are some practices that the assessor can recommend?

When the Tax Increment Financing District ends, what does the municipality need to report? How can the assessor provide support to finalize the documents?

Resources

Maine DECD:

<https://www.maine.gov/decd/MTIF>

Maine Revenue Service:

<https://www.maine.gov/revenue/taxes/property-tax>

Maine Municipal Association (Municipal Assessment Manual):

<https://www.memun.org/>

Attachments

From DECD – “MTIF District Expiration Checklist – Municipality”


From DECD – “Termination of TIF District Sample Letter”

VLOOKUP Function Cheat Sheet

MTIF District Expiration Checklist:

- 1. Review on a yearly basis:
 - a. The TIFs that will terminate within the next [enter # of years that is best for municipality's financial planning].
 - b. The TIFs that will terminate this year.

- 2. For TIFs that will terminate within the next [xx] years:
 - a. Review the termination date to ensure it is as expected.
 - b. Review the District's development program to determine if it should be amended to add/remove any allowable project costs?

- 3. For TIFs that will terminate this year:
 - a. Review the termination date to ensure it is as expected.
 - b. Set a reminder for the last day of the TIF term.
 - i. Contact the assessor to see if there are any questions related to the TIFs valuation being reported as unsheltered.
 - ii. Contact Maine Revenue Services with any questions related to the change in valuation.
 - iii. Contact DECD with any questions.
 - c. Soon after the TIF District expires, send DECD an expiration letter, either by e-mail or mail. An example of the letter is as follows:
 - 
Termination of TIF District Sample Letter.
 - d. District's TIF revenues may be expended on the allowable project costs outlined in the Development Program for an additional three years (MRS Title 30-A §5227(4)(B)) from the District termination date.
Set an alert for two and half years out. If there are any funds remaining in the development program account at this time, start preparing to work with Maine Revenue Services to convert these funds to unsheltered ones.

Date

DECD Commissioner's name
c/o Tina Mullins, Project Development Officer, Tax Incentive Programs
Maine Department of Economic and Community Development
59 State House Station
Augusta, Maine 04333-0059

RE: Expiration and Official Closure Notification of (insert name of municipality and TIF District);

Dear Commissioner [last name]:

This is to inform you (name of municipality)'s (name of TIF) Tax Increment Financing District, approved by DECD on (indicate date of DECD approval) is expired as of (date), and thus terminated.

Since (name of municipality) is no longer sheltering captured assessed value in this District from State valuation, please remove this TIF from the active Tax Increment Financing Districts list in the State of Maine.

(Name of municipality) notes any tax increment revenues remaining in the *Development Program Fund* (DPF) account on the District term end date may be retained for up to 3 years to pay approved projects costs outlined in the DECD approved Development Program of this Tax Increment Financing District. On or before [add three years to District end date), any remaining tax increment revenues in this DPF account will be returned to the municipal general fund and a corresponding tax shift adjustment will be implemented with Maine Revenue Services.

If there are any questions or concerns, please contact (name and contact information for appropriate municipal official).

Sincerely,

(sign here)
(Name and Position of Municipal Official)

V-Lookup Cheat Sheet

Step 1: Set up your workbook

Organized by account number in ascending order like this:

| ACCT # | OWNER | MAP / LOT | OAV 4/1/2018 | 2022 VALUE | 2023 VALUE | DIFF OAV TO 2023 |
|--------|---------------------------------|-----------|--------------|------------|------------|------------------|
| 937 | SOLMAN HOLDINGS, LLC | 11/002 | \$25,600 | | | |
| 938 | GRIFFETH, NEAL J | 11/003 | \$663,000 | | | |
| 941 | GAGNON'S RENTAL PROPERTIES, LLC | 11/004B | \$1,038,200 | | | |
| 944 | DOODY, ELSE L | 11/004E | \$151,000 | | | |
| 968 | GUERRETTE FARMS CORP | 11/005B | \$140,700 | | | |
| 969 | G.F. MARKETING, INC. | 11/005C | \$321,300 | | | |
| 3043 | GALLAGHER, GEORGE III | 30/111 | \$69,900 | | | |
| 3044 | IRON CLAD PROPERTIES, LLC | 30/112 | \$79,400 | | | |
| 3045 | OLD IRON INN B & B, LLC | 30/113 | \$79,400 | | | |
| 3046 | IRON CLAD PROPERTIES, LLC | 30/114 | \$80,300 | | | |
| 3048 | KEY BANK OF MAINE | 30/117 | \$420,600 | | | |
| 3049 | MAHONEY, GRAYDON M | 30/118 | \$89,800 | | | |
| 3050 | LIBBY, MICHELLE L | 30/119 | \$62,400 | | | |
| 3051 | SHRUM, DOUGLAS | 30/120 | \$58,800 | | | |
| 3052 | SHRUM, JEREMIAH | 30/121 | \$28,400 | | | |
| 3085 | CSS DEVELOPMENT, INC. | 31/001 | \$45,900 | | | |
| 3086 | HUNT, BARBARA A | 31/002 | \$45,600 | | | |
| 3088 | GRAY MEMORIAL METHODIST CHURCH | 31/003A | \$57,900 | | | |
| 3093 | BARRETTO, JOHN | 31/009 | \$47,600 | | | |
| 3094 | NORTH COUNTRY INVESTMENTS, LLC | 31/010 | \$60,100 | | | |
| 3096 | WARDWELL SERVICE, INC. | 31/012 | \$76,700 | | | |
| 3097 | GLASS WITH CLASS, LLC | 031/013 | \$65,900 | | | |
| 3098 | GREENIER INC. | 031/014 | \$144,100 | | | |
| 3099 | CHAPMAN, RAELEEN M | 031/015 | \$52,600 | | | |
| 3100 | SMALL, CRAIG K | 031/016 | \$86,000 | | | |
| | TOTALS | | \$3,996,200 | | | |

Step 2: Create a tab for your previous year values

(Let's hope you have those in a spreadsheet somewhere that you can copy over)

Step 3: Create a tab for your current year values

For illustration, we will do an extract from our CAMA system, Trio SQL:

From main screen, choose 1. Real Estate

then 7. Import / Export

then 1. Create Database Extract

In the "Create Database Extract" screen include, at a minimum:

Account Number & Net Assessment

Create: 1 record per account

All / Range of: Select All Accounts

Hit F12 to create the extract, and note the file name and location

Step 4: Pull the database information into your spreadsheet

| Account Number | Owner's Name | Map/Lot | Net Assessment |
|----------------|-----------------------------------------------|-----------|----------------|
| 1 | GRIFFETH, MATTHEW | 001-001 | 147700 |
| 2 | PETERSON, DAVID | 001-002 | 76000 |
| 3 | GILMAN, HENRY W. | 001-002-A | 89900 |
| 4 | KINNEY, HILLARY R. | 001-004-A | 122800 |
| 5 | GRIFFETH, MATTHEW | 001-005 | 146600 |
| 6 | CYR, DYLAN | 001-005-A | 72800 |
| 7 | GRIFFETH, STEPHEN | 001-006 | 140900 |
| 8 | HERON, JEFFREY C | 001-006-A | 151600 |
| 9 | GUERRETTE, BRIAN J | 001-006-B | 331100 |
| 10 | RICHARDS, DOLORES M | 001-007 | 33100 |
| 11 | CAVAGNARO, JAMES F | 001-007-A | 151100 |
| 12 | SMITH CARIBOU FARM REVOCABLE TRUST | 001-009 | 32400 |
| 13 | STONELAND HOLDINGS, INC. | 001-009-B | 76100 |
| 14 | HAINES, NEAL R | 001-010-A | 209900 |
| 15 | GRIFFETH, JOHN F. II, MATTHEW A. & STEPHEN C. | 001-011 | 158600 |
| 16 | GUERRETTE, BRIAN J. | 001-013 | 25700 |
| 17 | BENSON, GEORGE R | 001-013-A | 168200 |
| 18 | WHITMORE, GEORGE P., JR. | 001-013-B | 102500 |
| 19 | CARON, BEVERLY J | 001-013-C | 27900 |
| 20 | WALL, BRIAN S | 001-013-D | 619600 |
| 21 | ANGEVIN, KATHLEEN MARIE | 001-014 | 159300 |
| 22 | IRVING FARMS, INC. | 001-014-A | 67500 |
| 23 | CAMPBELL, ANDREW | 001-015 | 313300 |
| 24 | SUSHI, SCOTT D. | 001-015-A | 80500 |
| 25 | COCHRAN, CHAD D. | 001-015-B | 114200 |
| 26 | BELVEA, CHRISTOPHER J | 001-015-C | 192700 |
| 27 | STOHLBERG, TIMOTHY P. | 001-016 | 78100 |
| 28 | GRIFFETH, MATTHEW A., JOHN F. II & STEPHEN C. | 001-017 | 40200 |
| 29 | RICHARDS, DOLORES M | 001-019 | 84700 |
| 30 | MUFFLER, LYNN DELL | 001-019-A | 52200 |
| 31 | DICK, HALEIGH | 001-017-B | 99200 |
| 32 | IRVING FARMS, INC. | 001-020 | 103200 |
| 33 | KOFSTAD, RONALD A JR | 001-020-A | 127700 |

Step 5: Pull the values into your TIF district spreadsheet using the VLOOKUP

| ACCT # | OWNER | MAP / LOT | OAV 4/1/2018 | 2022 VALUE | 2023 VALUE | DIFF. OAV TO 2023 |
|--------|---------------------------------|-----------|--------------|------------|------------|-------------------|
| 937 | SOLMAN HOLDINGS, LLC | 11/002 | \$25,600 | | | |
| 938 | GRIFFETH, NEAL J | 11/003 | \$663,000 | | | |
| 941 | GAGNON'S RENTAL PROPERTIES, LLC | 11/004B | \$1,038,200 | | | |
| 944 | DOODY, ELSIE L | 11/004E | \$151,000 | | | |
| 968 | GUERRETTE FARMS CORP | 11/005B | \$140,700 | | | |
| 969 | G.F. MARKETING, INC. | 11/005C | \$321,300 | | | |
| 3043 | GALLAGHER, GEORGE III | 30/111 | \$69,900 | | | |
| 3044 | IRON CLAD PROPERTIES, LLC | 30/112 | \$79,400 | | | |
| 3045 | OLD IRON INN B & B, LLC | 30/113 | \$79,400 | | | |
| 3046 | IRON CLAD PROPERTIES, LLC | 30/114 | \$80,300 | | | |
| 3048 | KEY BANK OF MAINE | 30/117 | \$420,600 | | | |
| 3049 | MAHONEY, GRAYDON M | 30/118 | \$89,800 | | | |
| 3050 | LIBBY, MICHELLE L | 30/119 | \$62,400 | | | |
| 3051 | SHRUM, DOUGLAS | 30/120 | \$58,800 | | | |
| 3052 | SHRUM, JEREMIAH | 30/121 | \$28,400 | | | |
| 3085 | CSS DEVELOPMENT, INC. | 31/001 | \$45,900 | | | |
| 3086 | HUNT, BARBARA A | 31/002 | \$48,600 | | | |
| 3088 | GRAY MEMORIAL METHODIST CHURCH | 31/003A | \$57,900 | | | |
| 3093 | BARRETTO, JOHN | 31/009 | \$47,600 | | | |
| 3094 | NORTH COUNTRY INVESTMENTS, LLC | 31/010 | \$60,100 | | | |
| 3096 | WARDWELL SERVICE, INC. | 31/012 | \$76,700 | | | |
| 3097 | GLASS WITH CLASS, LLC | 031/013 | \$65,900 | | | |
| 3098 | GREENIER, INC. | 031/014 | \$144,100 | | | |

In the function box, select the VLOOKUP function. The description says: “Looks for a value in the leftmost column of a table, and then returns a value in the same row from a column you specify”. VLOOKUP (look_value,table_array,col_index_num,range_lookup)

Step 6: Enter the Function Arguments using the example

Function Arguments

VLOOKUP

Lookup_value = any

Table_array = number

Col_index_num = number

Range_lookup = logical

Looks for a value in the leftmost column of a table, and then returns a value in the same row from a column you specify. By default, the table must be sorted in an ascending order.

Lookup_value is the value to be found in the first column of the table, and can be a value, a reference, or a text string.

Formula result =

[Help on this function](#)

OK Cancel

Lookup_value will be the account number (in column A)

VLOOKUP

=VLOOKUP(A2)

Function Arguments

VLOOKUP

Lookup_value A2 = 937

Table_array = number

Col_index_num = number

Range_lookup = logical

Looks for a value in the leftmost column of a table, and then returns a value in the same row from a column you specify. By default, the table must be sorted in an ascending order.

Lookup_value is the value to be found in the first column of the table, and can be a value, a reference, or a text string.

Formula result =

[Help on this function](#)

OK Cancel

The Table_array will be the sheet with the values.

For 2022, use the previous year. For 2023, use the current year.

VLOOKUP

=VLOOKUP(A2,PREVIOUS YEAR VALUES!A1:K4440)

Function Arguments

VLOOKUP

Lookup_value A2 = 937

Table_array PREVIOUS YEAR VALUES!A1:K4440 = ["ACCT #";"OWNER";"OAV 4/1/2018";"2022 VALUE";"2023 VALUE";"DIFF OAV TO 2023";"MAP / LOT"]

Col_index_num = number

Range_lookup = logical

Looks for a value in the leftmost column of a table, and then returns a value in the same row from a column you specify. By default, the table must be sorted in an ascending order.

Lookup_value is the value to be found in the first column of the table, and can be a value, a reference, or a text string.

Formula result =

[Help on this function](#)

OK Cancel

The Col_index_num will be the column from the table_array that contains the value needed.

The “Net Assessment” is in Column “K” which is number “11”:

| ACCT # | OWNER | MAP / LOT | OAV 4/1/2018 | 2022 VALUE | 2023 VALUE | DIFF OAV TO 2023 |
|--------|---------------------------------|-----------|--------------|------------|------------|------------------|
| 937 | SOLMAN HOLDINGS, LLC | 11/002 | \$25,600 | K4440,11) | | |
| 938 | GRIFFETH, NEAL J | 11/003 | \$663,000 | | | |
| 941 | GAGNON'S RENTAL PROPERTIES, LLC | 11/004B | \$1,038,200 | | | |
| 944 | DOODY, ELSIE L | 11/004E | \$151,000 | | | |
| 968 | GUERRETTE FARMS CORP | 11/005B | \$140,700 | | | |
| 969 | G.F. MARKETING, INC. | 11/005C | \$321,300 | | | |
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| 3045 | OLD IRON INN B & B, LLC | 30/113 | \$79,400 | | | |
| 3046 | IRON CLAD PROPERTIES, LLC | 30/114 | \$80,300 | | | |
| 3048 | KEY BANK OF MAINE | 30/117 | \$420,600 | | | |
| 3049 | MAHONEY, GRAYDON M | 30/118 | \$89,800 | | | |
| 3050 | LIBBY, MICHELLE L | 30/119 | \$62,400 | | | |
| 3051 | SHRUM, DOUGLAS | 30/120 | \$58,800 | | | |
| 3052 | SHRUM, JEREMIAH | 30/121 | \$28,400 | | | |

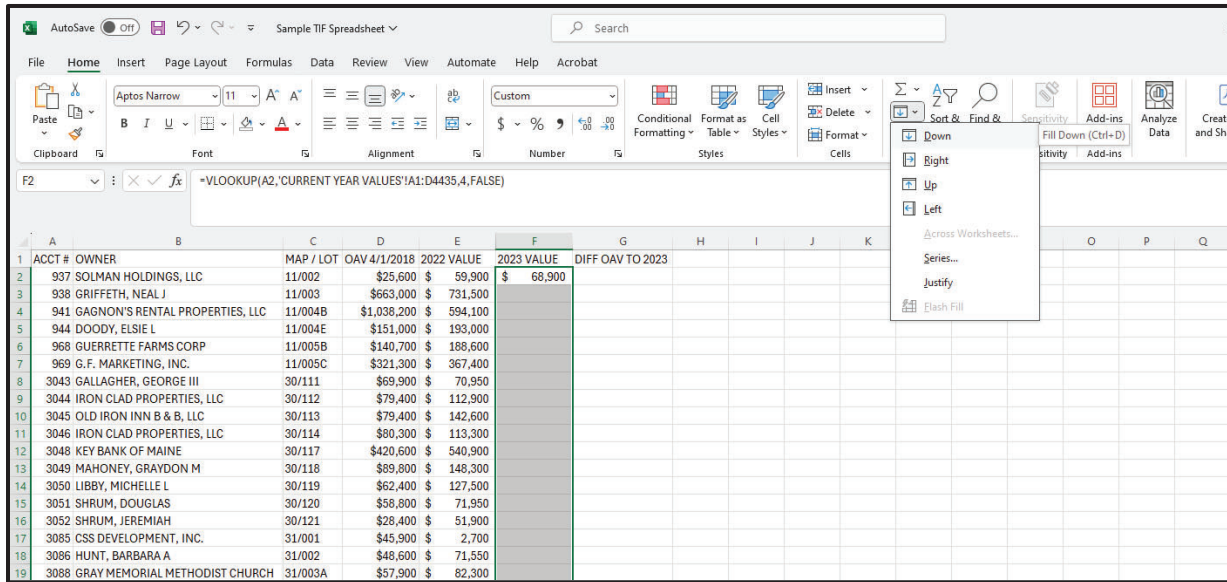
The Range_lookup would be FALSE because the value to be returned needs to be an exact match i.e. 937 and not 9371 or 1937:

| ACCT # | OWNER | MAP / LOT | OAV 4/1/2018 | 2022 VALUE | 2023 VALUE | DIFF OAV TO 2023 |
|--------|---------------------------------|-----------|--------------|------------|------------|------------------|
| 937 | SOLMAN HOLDINGS, LLC | 11/002 | \$25,600 | FALSE) | | |
| 938 | GRIFFETH, NEAL J | 11/003 | \$663,000 | | | |
| 941 | GAGNON'S RENTAL PROPERTIES, LLC | 11/004B | \$1,038,200 | | | |
| 944 | DOODY, ELSIE L | 11/004E | \$151,000 | | | |
| 968 | GUERRETTE FARMS CORP | 11/005B | \$140,700 | | | |
| 969 | G.F. MARKETING, INC. | 11/005C | \$321,300 | | | |
| 3043 | GALLAGHER, GEORGE III | 30/111 | \$69,900 | | | |
| 3044 | IRON CLAD PROPERTIES, LLC | 30/112 | \$79,400 | | | |
| 3045 | OLD IRON INN B & B, LLC | 30/113 | \$79,400 | | | |
| 3046 | IRON CLAD PROPERTIES, LLC | 30/114 | \$80,300 | | | |
| 3048 | KEY BANK OF MAINE | 30/117 | \$420,600 | | | |
| 3049 | MAHONEY, GRAYDON M | 30/118 | \$89,800 | | | |
| 3050 | LIBBY, MICHELLE L | 30/119 | \$62,400 | | | |
| 3051 | SHRUM, DOUGLAS | 30/120 | \$58,800 | | | |
| 3052 | SHRUM, JEREMIAH | 30/121 | \$28,400 | | | |

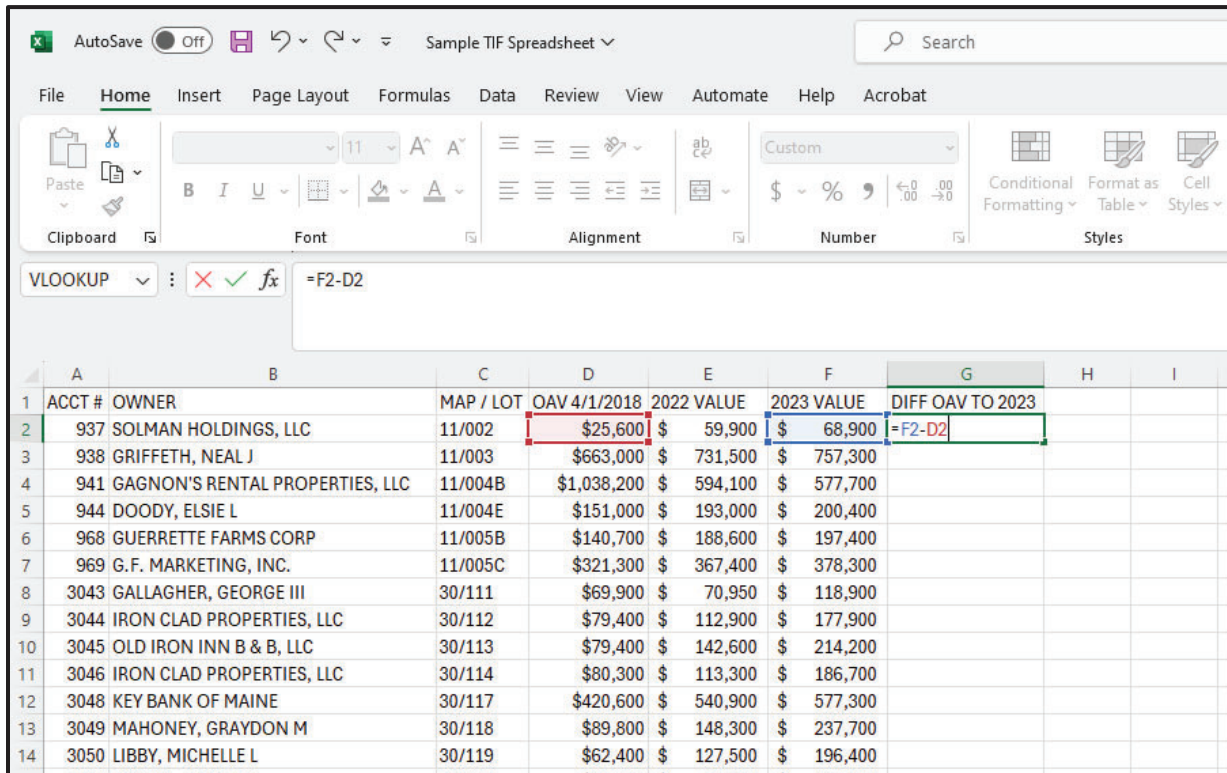
Next, fill the formula down through the column:

| ACCT # | OWNER | MAP / LOT | OAV 4/1/2018 | 2022 VALUE | 2023 VALUE | DIFF OAV TO 2023 |
|--------|---------------------------------|-----------|--------------|------------|------------|------------------|
| 937 | SOLMAN HOLDINGS, LLC | 11/002 | \$25,600 | 59900 | | |
| 938 | GRIFFETH, NEAL J | 11/003 | \$663,000 | 731500 | | |
| 941 | GAGNON'S RENTAL PROPERTIES, LLC | 11/004B | \$1,038,200 | 594100 | | |
| 944 | DOODY, ELSIE L | 11/004E | \$151,000 | 193000 | | |
| 968 | GUERRETTE FARMS CORP | 11/005B | \$140,700 | 188600 | | |
| 969 | G.F. MARKETING, INC. | 11/005C | \$321,300 | 367400 | | |
| 3043 | GALLAGHER, GEORGE III | 30/111 | \$69,900 | 70950 | | |
| 3044 | IRON CLAD PROPERTIES, LLC | 30/112 | \$79,400 | 112900 | | |
| 3045 | OLD IRON INN B & B, LLC | 30/113 | \$79,400 | 142600 | | |
| 3046 | IRON CLAD PROPERTIES, LLC | 30/114 | \$80,300 | 113300 | | |
| 3048 | KEY BANK OF MAINE | 30/117 | \$420,600 | 540900 | | |
| 3049 | MAHONEY, GRAYDON M | 30/118 | \$89,800 | 148300 | | |
| 3050 | LIBBY, MICHELLE L | 30/119 | \$62,400 | 127500 | | |
| 3051 | SHRUM, DOUGLAS | 30/120 | \$58,800 | 71950 | | |
| 3052 | SHRUM, JEREMIAH | 30/121 | \$28,400 | 51900 | | |

Then repeat for the current year:



Step 6: A simple formula and the increment value is calculated:



This is much faster than the method that was previously used.