

HB 775 -- Tax Increment Financing Guidelines

Sponsor: Johnson (47)

For projects approved after December 31, 2004, this bill permits tax increment financing (TIF) to be used for no more than 25% of the total estimated redevelopment costs for projects that are primarily retail. The bill prohibits TIF from being used to develop sites in which 25% or more of the area is vacant or if the area is currently being used for agricultural or horticultural purposes.

The bill also requires municipalities that receive payments in lieu of taxes from a redevelopment project to pay 25% of these payments to other taxing entities which may be entitled to receive revenue from levies on real property. When a TIF project includes residential uses, the bill requires that the real property tax levies attributable to the residential portion of the development pass through to the school district.