

HB 863 -- Tax Incentives for Economic Development

Sponsor: Wasson

This bill establishes the Downtown Revitalization Preservation Program which allows any municipality with fewer than 200,000 residents to undertake redevelopment projects to reduce blight in their downtown-area if certain requirements are met.

The municipality must submit an application to the Department of Economic Development for approval. The application requirements, which include a development plan, are specified. Cities participating in the program are prohibited from simultaneously receiving the state's tax increment financing. Cities with a population of 100,000 to 199,999 must have a capital investment of at least \$5 million; cities with a population of 50,000 to 99,999 must have at least \$1 million; and cities with fewer than 50,000 residents must have at least \$500,000 in order to utilize this program.

The projects' costs are reimbursed to the cities through disbursements from the Downtown Revitalization Preservation Fund, which is established and administered by the department. The fund will include \$150 million of other net new revenues generated annually by the development projects, reimbursement costs charged by the state, and any gifts or other contributions. At no time can the annual amount of other net new revenues approved for disbursement from the fund exceed \$150 million. Projects cannot receive disbursements for more than 20 years unless the department director approves an individual project for disbursements for up to 25 years.