

Subject Special tax increment financing rules for Plymouth

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Summary

Under general tax increment financing law, a local government can only establish a redevelopment district in a blighted area. After establishing the district, 90 percent of the increment generated from the district must be spent on blight correction. Under general law, a TIF district must generally spend the majority—a percentage that varies by law—of increment within the district. For increment expenditures to count as occurring within the district for these purposes, those expenditures (or debt for those expenditures) must be undertaken within the first five years after the district is certified; this rule is called the five-year rule.

This bill would allow the city of Plymouth to establish up to two redevelopment districts in the city's city center district under special rules. Those rules would allow redevelopment districts to be established even if the property was not blighted, and the districts would not have to spend increment on blight correction. The five-year rule period would also be doubled to ten years.