

HOUSE RESEARCH

Bill Summary

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Overview

This bill authorizes increments from a pre-1982 TIF district in the city of Milaca to spent on activities outside of the district.

1 Milaca, TIF. Authorizes spending of increments from TIF district No. 1-1 in the city of Milaca outside of the district. This district is a redevelopment development district; the request for certification was made in 1981.

Background information. The request for certification of this district was made after the 1979 tax increment financing act but before the 1982 amendments became effective. The 1979 TIF Act explicitly required increment to be spent in accordance with a TIF plan for the improvement and development of the district. This limited spending to development or redevelopment of the district. No pooling or spending of increments for development or redevelopment of other areas (i.e., outside the district) was allowed. The 1982 Legislature allowed unlimited pooling of increments, but these changes were effective only for districts for which the request for certification was made after June 30, 1982. Thus, this district has no specific statutory authority to spend increments on developments outside of the district. In 1990, the legislature imposed percentage limits on the amount of increments that could be spent outside of the district. These limits apply to newly certified districts and areas of existing districts.

2 Effective date. Effective upon local approval by the city of Milaca.