

HOUSE RESEARCH

Bill Summary

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Overview

This bill allows designation of economic development tax increment financing (TIF) districts for development of transit improvement areas (designated by DEED) and allows expanded pooling of increments by those and other districts to support those activities.

- 1 Economic development districts.** Authorizes cites to create economic development TIF districts in transit improvement areas to be used to support activities for which the area was designated (i.e., development of transit oriented land uses).

Effective date: All districts, regardless of when the request for certification was made.

- 2 Economic development districts; permitted use of increments.** Authorizes increments from an economic development TIF district to be used for activities within a transit improvement area.

Under a 2008 law, the commissioner of the Department of Employment and Economic Development (DEED) is authorized to designate transit improvement areas to increase the effectiveness of transit projects by encouraging development and land uses that are compatible with and make effective use of the transit project. These areas are designated on application by the local unit of government after preparation of a transit area improvement plan. They must have a minimum density of 12 residential units per acre or provide a density bonus over existing zoning rules. DEED is authorized to make loans for costs other than transit stations, transit systems, or transit operating costs. TIF revenues, under this section, could be used to assist with public and private development costs, other than the direct transit infrastructure and operating costs.

Effective date: All districts, regardless of when the request for certification was made.

- 3 Pooling rules; transit improvement areas.** Authorizes the additional 10 percentage point increase in pooling authority (limited under present law to affordable housing) to be used for transit improvement areas. In addition, unlimited pooling from any district within the transit improvement areas would be permitted under the present law authority allowed for biotechnology and health science industry zones.

Effective date: All districts, regardless of when the request for certification was made.

