

## *Summary of Baird positions for:*

### **2014 Legislative Council Study Committee on the Review of Tax Incremental Financing**

#### *Potential State Legislative changes*

- Upon TID closure, allow base levy increase greater than 50% of the valuation growth
  - Allow 85% of the value increment to be treated as net new construction
  - Levy limit purposes: TID construction treated same as new construction outside of TIDs
  - Eliminate the one time increase allowance (remove the “use it or lose it” limitation) – Levy increase only available in the year following TID closure
- Consider automatic life extensions when changes in State Statutes decrease TID revenue
  - Reduction in combined equalized tax rate reduces TID revenue collections
  - Tech College credit (for example) – Act 145
  - Loss of exempt computer aid (for example)
- Consider automatic adjustments to base value if TID value falls below base value
  - Overlapping tax entities not affected if TID value falls below base but is punitive to the TID
    - Ultimately results in longer TID life thereby delaying new TID value from returning to the tax rolls of overlapping entities
- Consider making “Distressed TID” legislation permanent
  - Legislation sunsets 10/1/2015
- Redevelopment TIDs are tough
  - Don’t shorten maximum legal life

**Brian Ruechel**  
**Director – Public Finance**