SB 23-175

Currently, the governing body of any municipality in the state may, with voter approval, establish a downtown development authority (authority) to assist the municipality in the development and redevelopment of its central business district. An authority may, if approved by the voters, use tax increment financing (TIF) to generate capital by dedicating growth in property tax or sales tax revenue to finance projects within the boundaries of the authority. The tax increment is the amount of additional tax revenue represented by the difference between the actual amount of tax revenue collected after the TIF is established and the base year tax revenue within the boundaries of the authority. The revenue that is attributed to the growing tax base is the incremental revenue used to finance the redevelopment projects within the boundaries of the authority (incremental revenue). Currently, an authority may use a TIF arrangement for a period of 30 years with the option for one 20-year extension. For property tax revenue only, the bill creates automatic and recurring the option for additional 20-year extension periods during which an authority may use a TIF arrangement, unless if the governing body of the municipality opts out of the extensions extends the period by ordinance . The first additional extension period begins may begin upon the expiration of the original 50-year period. During the 20-year extension period allowed pursuant to current law, 50% of the incremental revenue is allocated to a special fund of the municipality that created the authority (special fund), to be used to finance projects within the boundaries of the authority. The other 50% of the incremental revenue is allocated to the other governmental entities that levy property taxes within the boundaries of the authority, unless the municipality and all of the other governmental entities reach an alternative agreement. For the automatic and recurring 20-year extension periods authorized in the bill , the bill continues the default split of the incremental revenue is continued unless the municipality and all of the other governmental entities reach an alternative agreement. During the last 10 years of a 20-year extension allowed pursuant to current law, the base year revenue for the TIF is recalculated every year. For an automatic and recurring a 20-year extension period authorized in the bill , the bill requires the base year revenue to be is recalculated every year. Pursuant to current law, the governing body of a municipality must incur any debt to be used to finance the projects of the authority. The bill allows a municipality and an authority to enter into an intergovernmental agreement through which the municipality may delegate to the board of the authority the power to incur debt and to pledge money in a special fund of the municipality for the payment of the debt. The bonds issued by the board must be authorized by a resolution of the board and must be issued by the authority acting on behalf of the municipality. (Note: Italicized words indicate new material added to the original summary; dashes through words indicate deletions from the original summary.) (Note: This summary applies to the reengrossed version of this bill as introduced in the second house.)

SB 23-273

Currently, an urban renewal area cannot contain agricultural land unless the land meets an exception. One exception for including agricultural land is that the land was included in an approved urban renewal plan prior to June 1, 2010. The bill updates the exception to specify that agricultural land may be included in an urban renewal area if the agricultural land is in an existing urban renewal plan, the urban renewal plan was originally approved or modified to include the agricultural land prior to June 1, 2010, and if the land still remains in the that same urban renewal plan. (Note: Italicized words indicate new material added to the original summary; dashes through words indicate deletions from the original summary.) (Note: This summary applies to the reengrossed version of this bill as introduced in the second house.)