



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 257 SLS 15RS 393
Bill Text Version: ENROLLED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: June 9, 2015 9:52 AM Author: THOMPSON, F
Dept./Agy.: Town of Richwood Analyst: David Greer
Subject: Tax Increment Development Corporation

SPECIAL DISTRICTS EN INCREASE LF See Note Page 1 of 1
Authorizes certain additional tax increment finance authority for certain Tax Increment Development Corporations. (gov sig)

Purpose of Bill: This measure defines a tax increment development corporation (TID) in Richwood to be an issuer and local government subdivision for purposes of using tax increment financing (TIF) authority. The measure grants ad valorem tax and sales tax increment authority to the TID as well as ad valorem, sales, and occupancy tax levy authority. The TID can undertake an economic development project in addition to a tax increment community development project. The TID is restricted to a geographically defined area of the town. Financing may include loans, mortgages, bonds, or certificates of indebtedness. The TID shall not dissolve or cease to exist until one year after the date all bonds, notes, and other evidences of indebtedness are paid in full (but shall have an existence of at least three years).

Table with 7 columns: EXPENDITURES, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There may be an increase in local fund expenditures as a result of this measure.

An official in the Town of Richwood provided that there are plans for an economic development project that will include retail establishments within the Town of Richwood. There are no estimates of the expenditures for this project at this time. The measure provides for a tax increment economic development project consisting of a combination of residential housing, a bank, and retail establishments.

REVENUE EXPLANATION

There may be an increase in local fund revenues as a result of this measure.

The TID could raise local revenue, to the extent it exercises its authority to levy a tax. Until revenues are determined, the level of baseline tax collections within the TID's boundaries and any potential further increments (growth) that will be dedicated by this bill are not specifically known.

An official with the Town of Richwood informed us that there are plans for a commercial retail development that would be considered an economic development project, however they have no details of the potential fiscal impact at this time. The measure provides for a tax increment economic development project consisting of a combination of residential housing, a bank, and retail establishments.

- Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of Michael G. Battle
Michael G. Battle
Manager, Advisory Services