

Subject Extending certain temporary tax increment financing authority

Authors Joy and others

Analyst Justin Cope

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Summary

In 2021, the legislature enacted temporary tax increment financing authority allowing, under certain requirements, expenditures of increment from any district on subsidizing private development for the purposes of retaining jobs in the state. Under that temporary authority, construction needed to commence and that increment needed to be spent for those purposes by December 31, 2025. This bill would extend that deadline to 2027.

As a requirement of using the temporary authority, increment needed to be transferred pursuant to a spending plan adopted by the local government using the authority. This bill would require amended spending plans if a municipality wanted to extend its spending authority to 2027. The bill would also clarify that interest on transferred increment could be spent in the same ways that the transferred increment could and would have to be returned to the district in the same way that transferred increment is.