

Statement of Estimated Local Revenue Impact

Date: January 11, 2012

Bill Number: S.B. 1002

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Committee Requesting Impact: Senate Finance Committee

Bill Summary

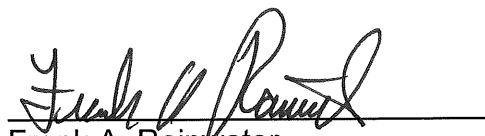
A bill to amend Section 31-6-40 of the 1976 Code, relating to tax increment financing for redevelopment projects, by striking language that surplus funds must be sent to the taxing district and that municipalities may pledge obligation funds to any redevelopment project; to add Section 31-6-45 to define the requirements of a redevelopment project; and to amend Section 31-6-50 to limit the use of funds to projects specified by the authorizing redevelopment plan, and to require that surplus funds may be used to pay down outstanding debt obligations or otherwise must be returned to the taxing district.

REVENUE IMPACT ^{1/}

This bill is not expected to impact local revenues.

Explanation

This bill would revise the Tax Increment Financing law by limiting the use of funds to projects specified by the authorizing redevelopment plan and by further defining the requirements of a redevelopment project. It would also amend the requirements for use of surplus funds. Currently, surplus funds must be returned to the taxing district. The bill would amend the code to include that surplus funds may also be used to pay down outstanding debt obligations. Since the bill only revises the requirements for the use of funds and surplus TIF revenue, it is not expected to impact local revenues.



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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.