

A State by State Look at TIF

State	Is TIF Available?	Is School District Approval Required?	TIF Notes
Alabama	YES	NO	A \$500 Million TIF agreement was approved in 2009 for Alabama Motorsports Park, a 2,800 mixed-use master-planned development in Mobile County. The Project is anticipated to feature motorsports facilities, entertainment venues, restaurants, hotels, destination retail, plus office, industrial and residential components.
Alaska	YES	NO	The use of TIF is generally limited to earthquake damaged areas.
Arizona	NO	N/A	Many in Arizona are pushing for the state to adopt TIF as a means to finance development. Two proposed methods to include TIF as an available state incentive are to: 1) Attach TIF to a jobs bill; or 2) Draft a TIF law that is designed to benefit professional sports venues and surrounding developments.
Arkansas	YES	NO	The North Little Rock School District recently challenged the formation of a TIF District which would have resulted in the diversion of property tax revenue to the TIF fund rather than to the school district by claiming that the City did not follow certain procedural rules to establish the TIF District.
California	YES	YES	Governor Jerry Brown's proposed budget would eliminate the State's 425 redevelopment agencies, which would effectively end any new TIF projects in California, however the California Senate is considering a redevelopment reform bill that would prevent the elimination of the State's redevelopment agencies.
Colorado	YES	NO	Under the TIF Statute, both state and municipal sales taxes can be pledged, however state sales taxes can only be pledged for regional tourism projects in approved regional tourism zones. The Colorado Legislature adopted HB 1311, which would allow Colorado to offer up to \$50 Million in sales tax incentives to regional tourism projects. Colorado would select 2 projects in 2011, 2 in 2012 and potentially 2 in 2013. This is an expansion of a 2009 bill, which would have only allowed 2 projects to be chosen in 2011. The Governor still needs to approve HB 1311.
Connecticut	YES	NO	The State Legislature is considering a bill that would eliminate the sunset date for using TIF to fund large scale development projects and would allow 13 enterprise zone municipalities to use TIF to help developers repay loans and other debt they incurred to finance projects in those zones.

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Delaware	YES	YES	Under current TIF law, if a municipality establishes a TIF District in Delaware, then only the municipal portion of the property taxes can be pledged to a TIF Project unless the municipality obtains the consent of the overlapping taxing bodies.
District of Columbia	YES	NO	Municipal sales taxes generated in Washington, D.C. can be pledged under the TIF Statute. Washington D.C.'s debt cap has limited the availability of TIF funds for new projects, however certain projects that have already received a pledge of TIF assistance have been delayed because of economic conditions. Many suggest that TIF assistance pledged to those projects that have been delayed should be shifted to projects that are construction ready.
Florida	YES	NO	The Orlando City Council recently approved the use of TIF to help finance a \$425 Million performing arts center. Approximately \$130 Million in TIF Bonds were sold, however no physical construction has commenced because of economic conditions.
Georgia	YES	YES, if School District taxes are to be pledged	In February 2008 the Georgia Supreme Court ruled School District participation in TIFs unconstitutional, however a constitutional amendment was approved by Georgia voters in November 2008 that allows School District taxes to be pledged, however in order to use School District funds, the School District must approve the TIF District.
Hawaii	YES	NO	Honolulu is considering a \$5.5 Billion rail project and is considering the use of TIF to pay for development around the rail stations (although not for the rail itself).
Idaho	YES	NO	The State Legislature is considering several bills to amend the Idaho TIF law during this legislative session. The bills include proposals to require voters to approve the creation of TIF Districts, reduce the lifespan of a TIF District from 24 years to 20 years and require two-thirds of voters in a municipality to approve the issuance of TIF Bonds for a project.
Illinois	YES	NO	In Illinois, the local share of the state sales tax and any municipal home rule taxes can be pledged to TIF Projects, or under the Economic Incentive Statute. The Stage Legislature is considering several bills to amend Illinois TIF law during this legislative session. One bill would require the portion of taxes levied by a school district located in a TIF area to be paid for the school district if TIF financing has not been adopted in a TIF area within three years of the area's designation.

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Indiana	YES	NO	A pledge of municipal sales tax increment is available in certain cities in Indiana. Goshen, Indiana recently adopted a resolution to use TIF to fund employee training grants. These grants would provide reimbursement to industrial employers located in TIF Districts to cover expenses related to new employee training up to an amount of \$3,000 per employee as long as the employees are Goshen residents.
Iowa	YES	NO	The City of Cedar Rapids plans to use sales tax increment to pay for construction of levees and flood walls in the City in order to protect businesses and homes from future flooding. This would be only the second time that a municipality in Iowa has considered a pledge of its local option sales tax. In the only other instance, local option sales taxes were pledged to help fund the Iowa speedway.
Kansas	YES	NO	The Kansas legislature is considering a bill during this legislative session that would amend the State's TIF law to allow TIF funds to be used to pay for infrastructure costs contiguous to, but located outside of, TIF areas if the City determines that such infrastructure is necessary for the implementation of the TIF plan.
Kentucky	YES	NO, but School District taxes may not be pledged	A March 2011 amendment to Kentucky TIF law expands the State's TIF program by: 1) Extending the time in which certain TIF Projects must begin from 5 years to 10 years; 2) Including mixed-use projects in a research park owned by a public university; and 3) Making TIF available for projects located within 3 miles of a military base.
Louisiana	YES	YES	The state sales tax may be pledged to fund local economic development and infrastructure projects.
Maine	YES	NO	Maine has started to use TIF to incentivize the development of wind farms throughout the State.
Maryland	YES	NO	In 2009, Maryland adopted an amendment to its TIF Statute which expanded the availability of TIF to finance the operation and maintenance of infrastructure improvements benefitting transit oriented development. In the past, TIF financing had only been available to finance the acquisition and construction of such improvements.
Massachusetts	YES	NO	Companies that receive TIF assistance for the development of certain projects may be eligible for an additional state incentive which would provide a 5% reduction in state income taxes for a period between 5 and 20 years.

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Michigan	YES	NO	A bill introduced in February 2011 would allow an overlapping taxing jurisdiction that levies taxes that would be deposited in a TIF fund to opt out of the TIF after any Bonds issued by the Downtown Development Authority are paid.
Minnesota	YES	NO	The 2010 State jobs bill relaxed restrictions on TIF Districts, allowing their use for any new private development that creates construction jobs or long-term employment.
Mississippi	YES	NO	Municipalities in Mississippi can pledge their local sales taxes under the TIF Statute. Most TIF projects in Mississippi are between \$4 and \$5 Million with an average period of assistance of 12 years.
Missouri	YES	NO	Up to 50% of municipal sales tax increment can be pledged under the Missouri TIF Statute and up to 50% of the state sales tax increment can be pledged for certain projects. A report released by the St. Louis area East-West Gateway Council of Governments in January 2011 found that 80 percent of TIF spending in the St. Louis area has been used to fund retail projects.
Montana	YES	NO	The Montana Legislature adopted an amendment to the State's TIF Law in April 2011 to make the formation of TIF Districts more uniform across the State. The Governor has yet to sign the bill.
Nebraska	YES	NO	Lincoln has approximately \$1.8 billion in projects planned for the downtown area, almost all of which are slated to receive TIF financing. The projects include a new \$56 million corporate headquarters for an insurance company and an \$800 million renovation of state fairgrounds into a research and development campus for the University.
Nevada	YES	NO, but pledge may not include taxes paid to public schools within a County School District	Under Nevada TIF law, Cities in Nevada may pledge sales tax increment from tourism improvements to pay for certain redevelopment costs.
New Hampshire	YES	NO	TIF is primarily a tool for public projects and its use for private projects is limited. Public use is narrowly defined such that it may not include the public benefits derived from private economic development activities (including job creation) except in certain limited circumstances.

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New Jersey	YES	NO	<p>The New Jersey TIF Statute allows the state, counties and municipalities to pledge sales tax increment.</p> <p>.....</p> <p>The Governor signed a law in 2011 which authorizes the creation of a tourism district within Atlantic City and the approval of \$260 Million in TIF Financing to support infrastructure improvements adjacent to a large casino project anticipated to create thousands of jobs.</p>
New Mexico	YES	NO	<p>Under the New Mexico TIF Statute, up to 75% of both the state and municipal sales tax increment can be pledged, however a pledge of state sales tax requires State Board of Finance Approval.</p> <p>.....</p> <p>TIF was only adopted in New Mexico in 2006, however the Mesa Del Sol project, a large mixed-used development in Albuquerque, received a pledge of TIF assistance of \$500 Million over 25 years, making it one of the largest TIF projects in the country.</p>
New York	YES	NO, although the TIF law does not require School District taxes to be included as part of TIF bond repayment	<p>Because New York's TIF enabling legislation did not require a school district's property taxes to be included in the available taxes for TIF bond repayment, the use of TIF in New York is limited. A proposed state law would allow school districts to opt in to TIF, which would mean that the school district tax increment could be used to repay the bonds, making TIF financing a more attractive economic development tool.</p>
North Carolina	YES	NO	<p>Approximately \$168 Million in TIF Funds were pledged to the North Carolina Research Campus, however based on new employment and development projections, only about \$30 Million in bonds could be issued in 2010.</p>
North Dakota	YES	NO	<p>The City of Bismarck is being sued by a taxpayer over Bismarck's TIF Funds, claiming that the \$16 Million TIF fund balance was accumulated unlawfully. Bismarck created a TIF District that covered much of its downtown area in 1979 and began accumulating all of the increased property tax revenue since 1979 into the TIF fund rather than using the money for specific improvements. Now the City wants to use \$8 Million for a new parking ramp and \$1.5 Million for quiet rail crossings.</p>

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Ohio	YES	YES, if pledge of greater than 75% of tax increment for more than 10 years	In January 2011, the City of Akron approved a \$161 Million publicly funded project to build a new global headquarters for Goodyear Tire & Rubber Company. In exchange, the company agreed to stay in Akron for 25 years and keep 2,900 jobs in the City. Approximately \$25 Million in financing for the project will come from loans to be repaid with TIF proceeds.
Oklahoma	YES	NO	Local sales tax increment can be pledged under the Oklahoma TIF Statute. In 2010, Oklahoma City revoked TIF allocations for several residential and mixed-use projects because of the economic downturn.
Oregon	YES	NO	The Oregon Senate is currently considering a bill that would allow for the creation of airport TIF districts around rural airports throughout the State of Oregon in which up to 50% of the incremental taxes generated by commercial and industrial development or expansion could be used to pay for airport-related infrastructure for a period of up to 25 years.
Pennsylvania	YES	YES, if School District taxes are to be pledged	In 2005, a TIF Guarantee Program was initiated by the State, which provides an up to \$5 Million loan guarantee to a local issuer of TIF Bonds. The loan guarantee can be used as a credit enhancement for a TIF bond issue, which would allow a municipality to sell the bonds at more favorable terms.
Rhode Island	YES	NO	The Rhode Island New Public Transit Alliance supports the use of TIF to fund certain local transit projects as long as developers share the risk with the municipalities.
South Carolina	YES	YES, if School District taxes are to be pledged	The University of South Carolina “Innovista” research campus project has received a pledge of over \$100 Million in TIF dollars however several critics question the use of TIF and the success of the Project, given that most of the buildings constructed as part of the Project are currently empty.
South Dakota	YES	NO	Rapid City has approved a total of 70 TIF Districts since 1983, outpacing any other City in South Dakota and earning it the moniker the “TIF Capital of South Dakota.”
Tennessee	YES	NO	In 2009, Tennessee adopted an amendment to its TIF law to encourage more sustainable TIF projects. Under the amended TIF law, TIF has been broadened so that it can be used for private construction costs that encourage in-fill development, payment of costs associated with green building and sustainable infrastructure and power facilities.

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Texas	YES	NO	<p>Municipal sales tax increment can be pledged under the Texas TIF Statute.</p> <p>.....</p> <p>A group of five developers applied for \$1 billion in TIF assistance to aid in the construction of an almost 5 million square foot mixed use development in the City of Terrell in East Texas, which includes retail and commercial projects and a hospital complex. The developers anticipate that the new project will create approximately 10,000 jobs in the 4,500 acre TIF district, the single largest rural TIF district in Texas.</p>
Utah	YES	NO	<p>Utah's TIF Statute allows municipalities to pledge their local sales tax increment to TIF Projects.</p> <p>.....</p> <p>Utah has an Economic Development Tax Increment Financing tax credit program which provides tax credits for up to 30% of new state revenues to a TIF project over the project's life.</p>
Vermont	YES	NO	<p>As part of a pledge of TIF assistance, the State can pledge up to 75% of its property tax increment in addition to any pledge of municipal property tax increment.</p>
Virginia	YES	NO	<p>Crystal City is considering the use of TIF to fund approximately \$200 Million in public infrastructure improvements, including improvements to streets, mass transit and public spaces.</p>
Washington	YES, in very limited circumstances	YES	<p>The Supreme Court of Washington ruled the TIF Statute unconstitutional in 1993 unless a project is approved by all underlying taxing districts and the amount pledged to the project is less than \$5 Million. In 2011, the Washington legislature introduced a constitutional amendment to allow for a broader TIF statute to be used. If adopted, the Constitutional Amendment would have to be approved by Washington voters.</p>
West Virginia	YES	NO	<p>West Virginia's TIF Statute permits a pledge of local sales tax increment for certain types of TIF projects.</p> <p>.....</p> <p>The West Virginia State Legislature is considering a bill introduced in 2011 that would allow all municipalities and not just Class I and Class II Cities to establish TIF Districts. The proposed bill also broadens the definition of "Project Costs" to include costs of remediation of publicly or privately owned landfills, former coal mining sites, solid waste facilities or hazardous waste sites to facilitate commercial development.</p>

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Wisconsin	YES	NO	Under existing TIF law, “towns” are not allowed to use TIF for retail projects although a bill allowing one town to use TIF for retail was approved in March 2011. Other towns are also seeking an expansion of their TIF authority. The Governor indicated that he would support legislation that would allow other Wisconsin towns to use TIF for retail.
Wyoming	YES	NO	Wyoming’s TIF Statute permits a pledge of local sales tax increment for Downtown Development Authority Projects only. TIF is available to Downtown Development Authorities for development projects. However, the smaller-scale economic development projects that the Downtown Development Authorities typically oversee do not create enough revenue to make TIF a practical tool.

INTERNATIONAL:

LONDON, ENGLAND

London Mayor Boris Johnson called on the government to allow the use of TIF to help fund projects during the economic downturn. One challenge to using TIF in London is that it is difficult to capture the amount of taxes generated in a particular area because at present, most of the taxes generated are paid directly to the Treasury. A municipality would have to be able to capture at least a part of the taxes paid to the Treasury in order for TIF to be an effective tool.

TORONTO, CANADA

Toronto plans to expand underground transit and is looking at TIF as one funding mechanism to help pay for the \$4 Billion Project.

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