Overview

This bill modifies the definition of small cities so that any city with a population of 5,000 or less may use TIF for small commercial developments. Under present law, a small city may not be located with 10 miles of a city with a population of 10,000 or more.

The bill also expands the permitted size of small commercial developments from 15,000 square feet to 30,000 square feet.

Section

1  **Definition of small city.** Modifies the definition of a small city to eliminate the restriction that the city may not be located within 10 miles of a city with a population of 10,000 or less.

2  **Commercial development in small cities.** Increases the size of permitted commercial developments in small cities from 15,000 to 30,000 square feet. In addition, it eliminates the requirement that a separate TIF district be created for each commercial facility.

**Background information.** Under present law, economic development districts may only be used for manufacturing, warehousing, and telemarketing. (Tourism facilities are also permitted in a few counties whose economies are very dependent on tourism.) Small cities are also permitted to use economic development districts for small commercial developments of up to 15,000 square feet. This provision was added to the law in 1995 at the request of association representing small cities. The rationale for the exception was that it was a high priority of small cities to provide retail and other services for their residents and because it was necessary to attract these types of developments to smaller communities, especially in rural areas of the state.

3  **Effective date.** For requests for certification after the day following final enactment.