Overview

This bill allows a fiscal disparities exemption for TIF districts containing superfund sites.

Section

1  **TIF; Superfund sites.** Provides that TIF districts containing superfund sites (under either federal or state law) are exempt from the provisions governing computation of increment and calculation of fiscal disparities, if the superfund parcels will be developed under a development action response plan.

The apparent intent of the bill is to exempt TIF districts containing superfund sites from the requirement that a fiscal disparities contributions be made. Under present law, the municipality has an option as to how the fiscal disparities contribution is to be made. It can either be made from the district's captured tax capacity or by all taxpayers in the city. Before enactment of the 1979 TIF Act, housing redevelopment authority TIF districts were exempt from contributing to fiscal disparities. By contrast, municipal development districts were allowed to capture only 60 percent of the growth in the value. The remaining increase compensated the fiscal disparities pool.

The bill also exempts these districts from the basic provision of law that determine how increment is to be computed. As a result, it is unclear exactly how increment for the district will be calculated. For example, it is not clear if increment would be calculated with the original local tax rate or the unrestricted local tax rate.

2  **Effective date.** Provides the bill is effective retroactive for districts for which the request for certification was made after February 1, 1999.