Overview

This bill requires county approval of new tax increment financing (TIF) plans and certain modifications of existing TIF plans. Under present law, only municipality (usually city) approval is required.

1 **New districts, county approval.** Requires county approval of new TIF plans to permit use the county tax rate in calculating increment. The county may approve, but reduce the duration or specify that only part of the county's tax rate will be used. If the county takes no action within 30 days, the plan is deemed approved. Before approving a district, the county board must make findings, including the but-for finding, similar to those that apply to the municipality (usually the city). The but-for finding is modified in three ways (as compared with the required but-for finding by the municipality):
   - The county can find, even if the but-for test is not met, that the economic and social benefits of the plan justify it.
   - The plan must be consistent the county's general development plan.
   - The plan allows maximum opportunity for private sector development of the site.

2 **Plan modifications, county approval.** Requires county approval of modifications of TIF plans that:
   - Increase authorized or estimated spending.
   - Designate additional property that may be acquired.
   - Authorize more debt for the district.
   - Authorize expenditures on new activities.
   - Change the project area where increment may be spent.
   - Change the type of development or redevelopment planned for the district.

3 **Effective date.** For new districts or plan modifications after June 30, 1999. (This bill was introduced in the 1999 legislative session.) The plan modification provision is made to apply to
pre-1979 districts. Those districts are not technically subject to the TIF plan requirement under section 469.175; however, the intent is apparently to require that amendments or changes to their similar plans be approved by the county. The duration limits on these pre-1979 districts make it virtually impossible for them to undertake new activities after April 1, 2001.