Overview

This bill extends the maximum duration for an abatement to 15 years, if only two of the political subdivisions (city, county, and school district) grant abatements. In addition, it clarifies that abatements may be granted for property in TIF districts, if the abatement only applies after the TIF district has ended.

Section

1 **Abatement and TIF.** Allows abatement to be used for property in a TIF district, if the period of the abatement will not occur until after the TIF district is decertified. This will allow a political subdivision to enter into an abatement agreement that takes effect after the TIF district is decertified. Under present law, the abatement could not be approved until the TIF district had ended. This will allow use of TIF and abatement to be combined to provide assistance to a project.

2 **Abatement duration limit.** Allows extension of the maximum abatement term from 10 years to 15 years, if only two of the political subdivisions containing the parcel grant an abatement (e.g., the city and county approve, but the school district does not). If after an extended abatement is granted the third political subdivision grants an abatement, the extension of the duration is reduced by each year that the third political subdivision grants an abatement. For example, assume the city and county approve a 15 year abatement because the school does not grant an abatement. A year later the school district grants a 3 year abatement. The maximum term for the city and county abatement, then, would be reduced to 12 years (i.e., the 15 year maximum reduced by the 3 years of the school abatement).

3 **Effective date.** Effective for taxes payable in 2001. Under section 2, this would permit pre-existing abatements to be amended and the duration extended, if only two political subdivisions has abated taxes on the parcel.