HB 2980

Tax Increment Financing for Affordable Housing Development

Background

HB 2980 requires the Department of Revenue and county assessors to administer a new form of tax increment financing that loosely resembles, but does not replace, urban renewal zones.

Counties would have to engage their information technology vendors to develop systems for the new distribution-of-tax calculations.

The department notes five points in the bill that could use clarification for the department and assessors to implement the tax-increment-financing component.

Administrative Questions

- In the definitions of "eligible housing project" and "eligible housing project property" in Section 1, it is unclear whether land is to be included as eligible.
- While Section 4(3) makes it clear that the project cannot be in an existing urban renewal zone, it is not clear whether and how it would be permissible for a local government to later adopt a new urban renewal zone overlapping the housing project.
- In Section 8(1), it would be helpful to require the granting jurisdiction to certify annually to the assessor a list of eligible projects.
- In Section 8(3), a definition of "consolidated ad valorem tax rate" would clarify which rates are subject to Measure 5 compression, and whether the division of tax for the housing project is to be calculated before or after other division-of-tax calculations.
- In Section 8(5), the reference to the "assessor" should more accurately be the "collector."

Agency Contact

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