



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 6114 (Substitute S-3 as reported)
Sponsor: Representative Marie Donigan
House Committee: Transportation
Senate Committee: Commerce and Tourism

CONTENT

The bill would create the "Transit Revitalization Investment Zone Act" to do all of the following:

- Allow a municipality to establish a transit revitalization investment authority by ordinance.
- Require an authority to consult with affected local units of government, public transportation agencies, and private transportation providers to designate a transit revitalization investment zone.
- Require an authority to enter into an agreement with the affected municipalities and public transportation agencies to create a zone.
- Provide for an authority board and the hiring of officers and staff.
- Require an authority's activities to be financed by donations, loans, revenue from authority property, proceeds of a tax increment financing (TIF) plan, proceeds from a special assessment district, and/or money from other approved or authorized sources.
- Require an authority to submit a TIF plan to a municipality's governing body, and provide for the approval of the plan.
- Require an authority board to prepare an improvement plan, if it financed a project through revenue bonds or a TIF plan, and provide for adoption of the plan.
- Allow a municipality to create multiple transit revitalization investment authorities but provide that a parcel could not be included in more than one.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would reduce local unit revenue by an unknown amount, depending on whether any tax increment zones were created and whether the activities promoted within the zones would occur in the absence of the bill. The bill also would reduce State tax revenue by an unknown amount through the capture of certain taxes such as the industrial facilities tax, which provides revenue to the School Aid Fund.

The Department of Treasury estimated that revenue captured by tax increment financing authorities during FY 2007-08 totaled approximately \$300.0 million.

Date Completed: 12-16-08

Fiscal Analyst: David Zin