

**HB626 ENGROSSED**



1 HB626  
2 G35JLCC-2  
3 By Representative Whitt  
4 RFD: Economic Development and Tourism  
5 First Read: 17-Mar-26



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A BILL  
TO BE ENTITLED  
AN ACT

Relating to economic development; to amend Section 11-99-2, Section 11-99-4, as last amended by Act 2026-104 of the 2026 Regular Session, and Sections 11-99-5, and 11-99-6, Code of Alabama 1975, to allow a Major 21st Century Manufacturing Zone to be located within a tax increment district without regard to the size of the tax increment district; to allow ad valorem tax revenues collected within the tax increment district to be used to reimburse costs incurred by a public entity to acquire land within the Major 21st Century Manufacturing Zone prior to the creation of the tax increment district; and to make nonsubstantive, technical revisions to update existing code language to current style.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 11-99-2, Section 11-99-4, as last amended by Act 2026-104 of the 2026 Regular Session, and Sections 11-99-5, and 11-99-6, Code of Alabama 1975, are hereby amended to read as follows:

"§11-99-2

As used in this chapter, the following terms have the following meanings:



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29 (1) BLIGHTED OR ECONOMICALLY DISTRESSED AREA. Any of  
30 the following:

31 a. Any area in which the structures, buildings, or  
32 improvements, by reason of dilapidation, deterioration, age,  
33 or obsolescence; inadequate provision for ventilation, light,  
34 air, sanitation, or open spaces; high density of population  
35 and overcrowding; or the existence of conditions that endanger  
36 life or property by fire and other causes; or any combination  
37 of such factors, are conducive to ill health, transmission of  
38 disease, infant mortality, juvenile delinquency, or crime and  
39 are detrimental to the public health, safety, morals, or  
40 welfare.

41 b. Any area that by reason of the presence of a  
42 substantial number of substandard, slum, deteriorated, or  
43 deteriorating structures; predominance of defective or  
44 inadequate street layout; faulty lot layout in relation to  
45 size, adequacy, accessibility, or usefulness; unsanitary or  
46 unsafe conditions; deterioration of site or other  
47 improvements; diversity of ownership; tax or special  
48 assessment delinquencies exceeding the fair value of the land;  
49 defective or unusual conditions of title; or the existence of  
50 conditions that endanger life or property by fire and other  
51 causes; or any combination of the foregoing, substantially  
52 impairs or arrests the sound economic growth of an area,  
53 hinders the provision of housing accommodations, or  
54 constitutes an economic or social liability and is a detriment  
55 to the public health, safety, morals, or welfare in its  
56 present condition and use.



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57 c. Any area that is predominantly open and which  
58 because of obsolete platting, diversity of ownership,  
59 deterioration of structures or of site improvements, or  
60 otherwise, substantially impairs or arrests the sound economic  
61 growth of an area.

62 d. Any area that the local governing body: (i)  
63 Determines is in need of redevelopment, rehabilitation, or  
64 revitalization to provide for the economic growth and  
65 development of the area; or; or (ii) certifies is in need of  
66 redevelopment or rehabilitation as a result of flood, fire,  
67 hurricane, tornado, earthquake, storm, or other catastrophe  
68 which the Governor of the state has certified the need for  
69 disaster assistance under federal law.

70 e. Any area containing excessive vacant land on which  
71 structures were previously located; on which are located  
72 abandoned or vacant buildings or old buildings; where  
73 excessive vacancies exist in existing buildings; which  
74 contains substandard structures; or with respect to which  
75 there exist delinquencies in payment of real property taxes.

76 (2) DEFERRED TAX RECIPIENT. Each taxing authority that  
77 receives ad valorem taxes with respect to property located in  
78 a proposed tax increment district.

79 (3) ENHANCED USE LEASE AREA. Any area of a military  
80 installation which contains underutilized real or personal  
81 property, or both, that is leased by a secretary of a military  
82 department to a lessee pursuant to the authority provided in  
83 Title 10 U.S.C. § 2667.

84 (4) LOCAL FINANCE OFFICER. The legally authorized



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85 officer or agent responsible for receipt and disbursement of  
86 the revenues of a taxing authority.

87 (5) LOCAL GOVERNING BODY. The governing body of a  
88 county or municipality which proposes to create or has created  
89 a tax increment district.

90 (6) MAJOR 21ST CENTURY MANUFACTURING ZONE. Any area  
91 aggregating not less than 250 contiguous acres of real  
92 property determined by a local governing body to meet all of  
93 the following criteria:

94 a. Is located, in whole or part, within its boundaries  
95 or corporate limits.

96 b. Is suitable for the site of an automotive,  
97 automotive-industry related, aviation, aviation-industry  
98 related, ship building-industry related, medical,  
99 pharmaceutical, semiconductor, computer, electronics, energy  
100 conservation, cyber technology, or biomedical industry  
101 manufacturing facility or facilities.

102 c. Is an area within which not less than one hundred  
103 million dollars (\$100,000,000) of capital expenditure in  
104 connection with the establishment, expansion, construction,  
105 equipping, development, rehabilitation, or redevelopment of  
106 the facility or facilities is anticipated to be made based  
107 upon representations and information provided by the  
108 anticipated user or users of the facility or facilities and  
109 other information as the local governing body shall have  
110 available to it and deems appropriate.

111 (7) MUNICIPALITY. Any incorporated municipality in this  
112 state.



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113 (8) PROJECT. Undertakings and activities of a public  
114 entity in a tax increment district for any one or more of the  
115 following:

116 a. As determined by the local governing body, the  
117 elimination and prevention of the development or spread of  
118 blight in, or the redevelopment or revitalization of, a  
119 blighted or economically distressed area, including, but not  
120 limited to, property acquisition, property clearance,  
121 development, preservation, redevelopment, rehabilitation,  
122 renovation, or conservation, or a combination or part thereof,  
123 in accordance with a project plan.

124 b. The utilization of underutilized real or personal  
125 property, or both, in an enhanced use lease area, including,  
126 but not limited to, property acquisition, property clearance,  
127 development, redevelopment, rehabilitation, or conservation,  
128 or a combination or part thereof, in accordance with a project  
129 plan.

130 c. The utilization of underutilized real property in an  
131 area determined by a local governing body to be a Major 21st  
132 Century Manufacturing Zone, including, but not limited to,  
133 property acquisition; property clearance; development,  
134 including, without limitation, public infrastructure  
135 improvements and any other improvements for the construction  
136 and equipping of automotive, automotive-industry related,  
137 aviation, aviation-industry related, ship building-industry  
138 related, medical, pharmaceutical, semiconductor, computer,  
139 electronics, energy conservation, cyber technology, or  
140 biomedical industry manufacturing facilities; or the



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141 redevelopment, rehabilitation, or conservation, or a  
142 combination or part thereof, in accordance with a project  
143 plan.

144 (9) PROJECT COSTS. Any expenditures made or estimated  
145 to be made or monetary obligations incurred or estimated to be  
146 incurred by a public entity, which in the case of expenditures  
147 for or within a Major 21st Century Manufacturing Zone may be  
148 incurred directly by the public entity or by a private entity  
149 with funds granted by, or otherwise made available from, a  
150 public entity, which are listed in a project plan as costs of  
151 public works or improvements or, in the case of improvements  
152 within a Major 21st Century Manufacturing Zone, public works  
153 or improvements or private improvements, within a tax  
154 increment district, plus any costs incidental thereto,  
155 diminished by any special assessments, received or reasonably  
156 expected to be received by the public entity in connection  
157 with the implementation of the project plan. Project costs  
158 include, but are not limited to, all of the following:

159 a. Capital costs, including the costs of the  
160 acquisition, installation, or construction of public works or  
161 improvements, new buildings, facilities or improvements,  
162 structures, and fixtures, the preservation and renovation of  
163 properties of historic significance and facades of properties,  
164 the demolition, alteration, remodeling, repair, or  
165 reconstruction of existing buildings, structures, facilities,  
166 and fixtures, the improvement, maintenance, repair,  
167 renovation, and replacement of property pursuant to a project  
168 plan, the acquisition of equipment, the acquisition, clearing,



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169 and grading of land, environmental remediation of real  
170 property, and the acquisition of interests in land.

171           b. Financing costs, including all interest paid to  
172 holders of tax increment obligations during the period of  
173 implementation of the project plan, the costs of any form of  
174 credit enhancement, printing and trustee costs, and any  
175 premium paid in excess of the principal amount thereof because  
176 of the redemption of the obligations prior to maturity.

177           c. Real property assembly costs, meaning any deficit  
178 resulting from the sale or lease as lessor by the public  
179 entity of real or personal property within a tax increment  
180 district for consideration which is less than its cost to the  
181 public entity.

182           d. Professional service costs, including those costs  
183 incurred for architectural, planning, engineering, fiscal,  
184 underwriting, legal advice and services, and consulting and  
185 management services.

186           e. Imputed administrative costs, including reasonable  
187 charges for the time spent by officers and employees of the  
188 public entity in connection with the implementation of a  
189 project plan.

190           f. Relocation costs, including those relocation  
191 payments made following condemnation under Chapter 1A of Title  
192 18.

193           g. Organizational costs, including the costs of  
194 conducting environmental impact and other studies and the  
195 costs of informing the public with respect to the creation of  
196 tax increment districts and the implementation of project



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197 plans.

198 h. The amount of any contributions made in connection  
199 with the implementation of the project plan that are within  
200 limits prescribed by law.

201 i. Payments made, at the discretion of the local  
202 governing body, which are to be necessary or convenient to the  
203 creation of tax increment districts or the implementation and  
204 management of project plans.

205 j. For purposes of any tax increment district in which  
206 not less than 50 percent, by area, of the real property within  
207 the tax increment district is an enhanced use lease area, all  
208 costs described in this subdivision which are expended by a  
209 public entity or a developer within three years immediately  
210 preceding the date of the creation of the tax increment  
211 district.

212 k. For purposes of any tax increment district which  
213 includes an area that a local governing body has determined to  
214 be a Major 21st Century Manufacturing Zone, the costs incurred  
215 by a public entity to acquire land or interests in land  
216 forming all or part of such Major 21st Century Manufacturing  
217 Zone prior to the date of creation of the tax increment  
218 district; provided, prior to incurring such costs the local  
219 governing body of such public entity has recited its intent to  
220 reimburse such costs from ad valorem taxes collected within a  
221 future tax increment district.

222 (10) PROJECT PLAN. The properly approved plan by the  
223 public entity creating a tax increment district for the  
224 development, redevelopment, or revitalization of a tax



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225 increment district, including all properly approved amendments  
226 thereto.

227 (11) PUBLIC ENTITY. Any municipality or county in the  
228 state.

229 (12) TAX INCREMENT. That amount obtained by multiplying  
230 the total revenue derived from ad valorem taxes levied by all  
231 local taxing authorities on all taxable property within a tax  
232 increment district in any tax year by a fraction having a  
233 numerator equal to that tax year's market value of all taxable  
234 property in the district minus the tax increment base and a  
235 denominator equal to that tax year's equalized value of all  
236 taxable property in the district. In any tax year, a tax  
237 increment is positive if the tax increment base is less than  
238 the aggregate value of taxable property as equalized by the  
239 Department of Revenue; it is negative if the base exceeds that  
240 value.

241 (13) TAX INCREMENT BASE. The aggregate value, as  
242 equalized by the Department of Revenue, of all taxable  
243 property located within a tax increment district on the date  
244 the district is created, determined as provided in Section  
245 11-99-5.

246 (14) TAX INCREMENT DISTRICT. A contiguous geographic  
247 area within the boundaries of a public entity defined and  
248 created by resolution of the local governing body.

249 (15) TAX INCREMENT FUND. A fund into which all tax  
250 increments not retained by a taxing authority as provided by  
251 Section 11-99-10(a) are paid, and from which money is  
252 disbursed to satisfy claims of holders of tax increment



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253 obligations issued for the tax increment district.

254 (16) TAX INCREMENT OBLIGATIONS. Bonds, warrants, notes,  
255 or other evidences of indebtedness issued by a public entity  
256 to fund all or any project costs.

257 (17) TAXABLE PROPERTY. All real and personal property  
258 located in a tax increment district which is subject to ad  
259 valorem taxation on the date of adoption of the resolution  
260 creating the tax increment district.

261 (18) TAXING AUTHORITY.

262 a. For tax increment districts in which not less than  
263 50 percent, by area, of the real property within the tax  
264 increment district is a blighted or economically distressed  
265 area, the term means any municipality, county, or other taxing  
266 authority that has the power to levy taxes on property within  
267 the tax increment districts.

268 b. For tax increment districts in which not less than  
269 50 percent, by area, of the real property within the tax  
270 increment district is an enhanced use lease area, the term  
271 means the state or any municipality, county, or other taxing  
272 authority that has the power to levy taxes on property within  
273 the tax increment district.

274 c. For tax increment districts ~~in which not less than~~  
275 ~~50 percent, by area, of the real property within the tax~~  
276 ~~increment district is~~ which include an area that a local  
277 governing body has determined to be a Major 21st Century  
278 Manufacturing Zone, the term means the state or any  
279 municipality, county, or other taxing authority that has the  
280 power to levy taxes on property within the tax increment



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281 district."

282 "§11-99-4

283 (a) In order to exercise its powers under this chapter,  
284 a public entity shall take the following steps:

285 (1) The local governing body shall hold a public  
286 hearing at which all interested parties are afforded a  
287 reasonable opportunity to express their views on: (i) the  
288 concept of tax increment financing; (ii) the proposed creation  
289 of a tax increment district and its proposed boundaries; and  
290 (iii) its benefits to the public entity. Notice of the hearing  
291 shall be published in a newspaper of general circulation in  
292 either the county or in the city, as the case may be, in which  
293 the proposed tax increment district is to be located with  
294 notice to be published at least twice in the 15-day period  
295 immediately preceding the date of the hearing. Prior to  
296 publication, a copy of the notice shall be sent by first class  
297 mail to the chief executive officer of each deferred tax  
298 recipient.

299 (2)a. In addition to the notice required by subdivision  
300 (1), and either before or after the public hearing, the local  
301 governing body shall make a written submission to the  
302 governing body of each deferred tax recipient. The submission  
303 shall include a description of the proposed boundaries of the  
304 tax increment district, the tentative plans for the  
305 development, redevelopment, or revitalization of the tax  
306 increment district, and an estimate of the general impact of  
307 the proposed project plan on property values and tax revenues.

308 b. Not later than the 15th day after the date on which



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309 the notice required by subdivision (1) is mailed, each  
310 deferred tax recipient shall designate a representative  
311 empowered to meet with the local governing body to discuss the  
312 project plan and the tax increment financing and shall notify  
313 the local governing body of its designation. Failure of any  
314 deferred tax recipient to designate a representative within  
315 the 15-day period, or to notify the local governing body of  
316 its designation, shall not prevent the local governing body  
317 from proceeding hereunder. If a deferred tax recipient who has  
318 failed to so designate a representative thereafter designates  
319 a representative and notifies the local governing body of the  
320 designation, the representative shall be entitled to notice of  
321 any meetings held thereafter pursuant to this section, and  
322 shall be entitled to attend the meetings, but shall have no  
323 right to have matters discussed again which have already been  
324 discussed.

325 c. The local governing body shall call a meeting, or  
326 meetings, of the representatives of the deferred tax  
327 recipients to be held at any time after 20 days from the  
328 mailing notice referred to in subdivision (1). Each  
329 representative shall be notified of each meeting at least  
330 three days before the meeting is to be held, but notice may be  
331 waived. At the meetings, the local governing body and the  
332 representatives of the deferred tax recipients may discuss the  
333 boundaries of the tax increment district, development within  
334 the tax increment district, the exclusion of particular  
335 parcels of property from the district, and tax collection for  
336 the district. On the motion of the local governing body any



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337 other matter relevant to the proposed tax increment district  
338 may be discussed.

339 (3) The local governing body shall adopt a resolution,  
340 which need not be published, which does all of the following:

341 a. Describes the boundaries of the tax increment  
342 district with sufficient definiteness to identify with  
343 ordinary and reasonable certainty the territory included. The  
344 description shall include only those whole units of property,  
345 other than publicly owned property such as streets, easements,  
346 and rights-of-way, assessed for general property tax purposes.  
347 If the public entity is a county, the description shall  
348 include only those areas that lie outside the corporate limits  
349 of any municipality, unless the governing body of a  
350 municipality has consented to the inclusion of land within its  
351 corporate limits within a tax increment district formed by a  
352 county.

353 b. Creates the tax increment district as of a given  
354 date after the date of adoption of the resolution. The date of  
355 creation of the tax increment district may be a date  
356 subsequent to the date of expiration of the period of duration  
357 of an existing tax increment district of the public entity.

358 c. Fixes the period for the duration of the tax  
359 increment district.

360 1. The duration may be for a period not to exceed 30  
361 years from the date of creation of the tax increment district  
362 in the case of a tax increment district in which not less than  
363 50 percent, by area, of the real property within the tax  
364 increment district is a blighted or economically distressed



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365 area.

366           2. The duration may be for a period not to exceed 35  
367 years from the date of creation of the tax increment district  
368 in the case of a district in which not less than 50 percent,  
369 by area, of the real property within the tax increment  
370 district is an enhanced use lease area or which includes an  
371 area that a local governing body has determined to be a Major  
372 21st Century Manufacturing Zone, unless an amendment is made  
373 to the project plan under subdivision (7).

374           d. Assigns a name to the tax increment district for  
375 identification purposes, such as "tax increment district  
376 number one."

377           e. Contains findings, which shall not be subject to  
378 judicial review except after a showing of fraud, corruption,  
379 or undue influence, that:

380           1. (A) Not less than 50 percent, by area, of the real  
381 property within the tax increment district is: (i) In need of  
382 rehabilitation, redevelopment, revitalization, or conservation  
383 work~~+~~, or (ii) an enhanced use lease area; or ~~(iii)~~ (B) the tax  
384 increment district includes an area that a local governing  
385 body has determined to be a Major 21st Century Manufacturing  
386 Zone; and

387           2. The aggregate value of equalized taxable property in  
388 the tax increment district plus all existing tax increment  
389 districts created by the public entity does not exceed 10  
390 percent of the total value of equalized taxable property  
391 within the public entity or 50 percent if the public entity is  
392 a Class 2 or Class 3 municipality. Provided, however, that



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393 equalized taxable property located within the boundaries of a  
394 military reservation, jurisdiction over which has been ceded  
395 to the United States pursuant to Section 42-3-1, shall be  
396 excluded from aggregated value.

397 (4)a. The local governmental body shall prepare and  
398 adopt a project plan for each tax increment district. The plan  
399 shall include all of the following:

400 1. A statement listing the proposed projects,  
401 including, without limitation and if applicable, the kind,  
402 number, and location of all proposed public works or  
403 improvements or, in the case of a Major 21st Century  
404 Manufacturing Zone, public works or improvements or private  
405 improvements, within the district.

406 2. A detailed list of estimated project costs.

407 3. A description of the methods of financing all  
408 estimated project costs and the time when related costs or  
409 monetary obligations are to be incurred.

410 4. A map showing existing uses and condition of real  
411 property in the district.

412 5. A map or description showing proposed improvements  
413 and uses therein.

414 6. Proposed changes of zoning, master map plan,  
415 building code, and other ordinances or resolutions affecting  
416 the district.

417 7. A list of estimated nonproject costs.

418 8. A proposed plan for the relocation of any families,  
419 individuals, and businesses to be temporarily or permanently  
420 displaced from housing or commercial facilities in the



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421 district by implementation of the plan.

422           b. For purposes of this chapter, any work or  
423 improvement for a military installation and located within an  
424 enhanced use lease area shall be deemed to be for public uses  
425 and purposes.

426           (5) The local governing body shall certify all of the  
427 following before approving the project plan:

428           a. That a feasible method exists for the relocation and  
429 compensation of any individuals, families, and businesses that  
430 will be displaced by the project in decent, safe, and sanitary  
431 accommodations within their means and without undue hardship  
432 to such individuals, families, and businesses.

433           b. That the project plan conforms to the applicable  
434 master plan of the local entity, if there is one.

435           c. That the project plan will afford maximum  
436 opportunity, consistent with the sound needs of the public  
437 entity as a whole, for the rehabilitation, redevelopment, or  
438 revitalization of the tax increment district by private  
439 enterprise.

440           (6) A copy of the project plan shall be mailed to the  
441 governing body of each deferred tax recipient, before approval  
442 of the project plan.

443           (7) The local governing body may at any time adopt an  
444 amendment to a project plan by complying with the procedures  
445 for the original adoption of a project plan.

446           (8) The public entity that created the tax increment  
447 district, and each deferred tax recipient with respect to the  
448 tax increment district, notwithstanding any provision in this



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449 chapter to the contrary, by written mutual agreement duly  
450 authorized, executed, and delivered thereby, may establish an  
451 advisory board for the tax increment district composed of the  
452 mayor or the chair of the county commission of the public  
453 entity, as appropriate, a member of the governing body of the  
454 public entity that represents the largest area in the tax  
455 increment district, and other members as the respective  
456 governing body, or its designee, of each deferred tax  
457 recipient may appoint; provided a majority of the members of  
458 an advisory board must be members of the governing body of the  
459 public entity.

460 (b) Judicial review of a decision of a public entity  
461 related to a tax increment district shall be as provided by  
462 law."

463 "§11-99-5

464 (a) The tax increment base shall be determined as  
465 provided in this section.

466 (b) Upon application in writing by the local finance  
467 officer, the tax assessor, or the officer of the county  
468 performing the duties of a tax assessor, for each county in  
469 which any part of the district is located shall determine,  
470 according to his or her best judgment from all sources  
471 available to him or her, the full aggregate value of the  
472 taxable property in the district located in that county as of  
473 the date of creation of the tax increment district. The  
474 aggregate valuation from all such tax assessors or other such  
475 public officials, upon certification to the local finance  
476 officer, shall constitute the tax increment base of the



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477 district, ~~provided, however,~~ if a public entity creates a  
478 district that is to succeed and continue the programs and  
479 project plans for redevelopment and revitalization of property  
480 in an existing tax increment district upon its expiration, the  
481 public entity and each deferred tax recipient with respect to  
482 the successor tax increment district, notwithstanding any  
483 provision in this chapter to the contrary, by written mutual  
484 agreement duly authorized, executed, and delivered thereby,  
485 may agree that the aggregate value of all taxable property  
486 included in both the expiring district and the successor  
487 district shall be the aggregate value of the taxable property  
488 as originally determined for the tax increment base of the  
489 expiring district as of the date of creation of the expiring  
490 district and without redetermination of the value of the  
491 taxable property as of the date of creation of the successor  
492 district or some other date.

493 (c) If the public entity that created a tax increment  
494 district in which not less than 50 percent, by area, of the  
495 real property within the tax increment district is a blighted  
496 or economically distressed area adopts an amendment to the  
497 original project plan for the tax increment district that  
498 includes additional project costs for which tax increments may  
499 be received by the public entity, the tax increment base for  
500 the district shall not be redetermined.

501 (d) If the public entity that created a tax increment  
502 district in which not less than 50 percent, by area, of the  
503 real property within the tax increment district is an enhanced  
504 use lease area or which includes an area that a local



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505 governing body has determined to be a Major 21st Century  
506 Manufacturing Zone adopts an amendment to the original project  
507 plan for the tax increment district that includes additional  
508 project costs for which tax increments may be received by the  
509 public entity or an expansion of the tax increment district,  
510 the tax increment base for the district shall not be  
511 redetermined.

512 (e) There shall be a rebuttable presumption that any  
513 property within a tax increment district, acquired or leased  
514 as lessee by the public entity or any agency or  
515 instrumentality thereof within one year immediately preceding  
516 the date of the creation of the district, was so acquired or  
517 leased in contemplation of the creation of the district. The  
518 presumption may be rebutted by the public entity with proof  
519 that the property was so leased or acquired primarily for a  
520 purpose other than to reduce the tax increment base. If the  
521 presumption is not rebutted, in determining the tax increment  
522 base of the district, but for no other purpose, the taxable  
523 status of the property shall be determined as though the lease  
524 or acquisition had not occurred.

525 (f) The local tax assessor or person performing his or  
526 her duties shall identify upon the tax records prepared by him  
527 or her under Chapter 7 of Title 40 those parcels of property  
528 which are within each existing tax increment district,  
529 specifying the name of each district. A similar notation shall  
530 also appear on the tax records made by the local finance  
531 officer.

532 (g) The Department of Revenue shall annually give



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533 notice to the designated finance officer of all taxing  
534 authorities levying taxes on property within each district as  
535 to both the assessed and equalized value of the property and  
536 the assessed and equalized value of the tax increment base.  
537 The notice shall state that the taxes collected in excess of  
538 the base will be paid to the public entity."

539 "§11-99-6

540 (a) Positive tax increments of a tax increment district  
541 shall be allocated and paid over to the public entity that  
542 created the district for each year commencing on the October 1  
543 following the date when the district is created until the  
544 earlier of:

545 (1) That time, after: (i) The period of duration of the  
546 tax increment district, as established pursuant to this  
547 chapter, has expired; and (ii) the completion of all projects  
548 and public improvements specified in, or purposes of, the  
549 project plan or amendments thereto, when the public entity has  
550 received aggregate tax increments from the district in an  
551 amount equal to the aggregate of all expenditures previously  
552 made or monetary obligations previously incurred for project  
553 costs for the district; or

554 (2) Thirty-five years after the last expenditure  
555 identified in the project plan is made. No expenditure may be  
556 provided for in the project plan to be made more than five  
557 years after the district is created, except as may be provided  
558 in an amendment to the project plan, and except in Class 3  
559 municipalities where the expenditures may be made not more  
560 than 10 years thereafter if so provided and in tax increment



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561 districts in which not less than 50 percent, by area, of the  
562 real property within the tax increment district is an enhanced  
563 use lease area where the expenditures may be made not more  
564 than 15 years thereafter if so provided, unless an amendment  
565 is adopted by the local governing body under ~~subdivision (7)~~  
566 ~~of~~ Section 11-99-4(7).

567 (b) Notwithstanding any other provision of law, every  
568 officer charged by law to collect and pay over or retain local  
569 general property taxes in the case of a tax increment district  
570 in which not less than 50 percent, by area, of the real  
571 property within the tax increment district is a blighted or  
572 economically distressed area, or state and local general  
573 property taxes in the case of a tax increment district in  
574 which not less than 50 percent, by area, of the real property  
575 within the tax increment district is an enhanced use lease  
576 area or which includes an area that a local governing body has  
577 determined to be a Major 21st Century Manufacturing Zone,  
578 shall first, on the next settlement date provided by law, pay  
579 over to the local finance officer out of all the taxes that  
580 have been collected, that portion that represents a tax  
581 increment allocable to a tax increment district, identifying  
582 the amount for each district.

583 (c) All tax increments received for a tax increment  
584 district, upon receipt by the local finance officer, shall be  
585 deposited into the tax increment fund for that district. The  
586 local finance officer may deposit additional monies into the  
587 fund pursuant to an appropriation by the local governing body.  
588 Monies shall be paid out of the fund only for direct payment



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589 of, or to reimburse the public entity for payments theretofore  
590 made by it for principal of or interest on tax increment  
591 obligations for that district if the obligations are general  
592 obligations of the public entity, or to satisfy claims of  
593 holders of tax increment obligations issued for that district,  
594 or for direct payment of, or to reimburse the public entity  
595 for payments theretofore made by the public entity that are  
596 used to pay project costs. Subject to any agreement with  
597 security holders, monies in the fund may be temporarily  
598 invested in the same manner as other surplus funds of the  
599 public entity. After the principal of and interest on all tax  
600 increment obligations of the district have been paid or  
601 provided for, subject to any agreement with security holders,  
602 if there remains in the fund any monies, they shall be paid  
603 over to the chief finance officer of the state, each county,  
604 each municipality, each school district, and to the general  
605 fund of the public entity in amounts as are due to each  
606 respectively, having due regard for what portion of these  
607 monies, if any, represents tax increments not allocated to the  
608 public entity and what portion thereof, if any, represents  
609 voluntary deposits of the public entity into the fund."

610 Section 2. This act shall become effective immediately.

