

HB626 INTRODUCED



1 HB626
2 4U7HDII-1
3 By Representative Whitt
4 RFD: Economic Development and Tourism
5 First Read: 17-Mar-26



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SYNOPSIS:

Under existing law, a Major 21st Century Manufacturing Zone suitable for the site of certain manufacturing facilities may be established within a tax increment district, and must comprise at least 50 percent of the tax increment district within which such zone is located.

This bill would allow a Major 21st Century Manufacturing Zone to be located within a tax increment district without regard to the size of such tax increment district, and allow ad valorem tax revenues collected within such 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 such tax increment district.

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,



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29 Code of Alabama 1975, to allow a Major 21st Century
30 Manufacturing Zone to be located within a tax increment
31 district without regard to the size of the tax increment
32 district; to allow ad valorem tax revenues collected within
33 the tax increment district to be used to reimburse costs
34 incurred by a public entity to acquire land within the Major
35 21st Century Manufacturing Zone prior to the creation of the
36 tax increment district; and to make nonsubstantive, technical
37 revisions to update existing code language to current style.

38 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

39 Section 1. Section 11-99-2, Section 11-99-4, as last
40 amended by Act 2026-106 of the 2026 Regular Session, and
41 Sections 11-99-5, and 11-99-6, Code of Alabama 1975, are
42 hereby amended to read as follows:

43 "§11-99-2

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

46 (1) BLIGHTED OR ECONOMICALLY DISTRESSED AREA. Any of
47 the following:

48 a. Any area in which the structures, buildings, or
49 improvements, by reason of dilapidation, deterioration, age,
50 or obsolescence; inadequate provision for ventilation, light,
51 air, sanitation, or open spaces; high density of population
52 and overcrowding; or the existence of conditions that endanger
53 life or property by fire and other causes; or any combination
54 of such factors, are conducive to ill health, transmission of
55 disease, infant mortality, juvenile delinquency, or crime and
56 are detrimental to the public health, safety, morals, or



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57 welfare.

58 b. Any area that by reason of the presence of a
59 substantial number of substandard, slum, deteriorated, or
60 deteriorating structures; predominance of defective or
61 inadequate street layout; faulty lot layout in relation to
62 size, adequacy, accessibility, or usefulness; unsanitary or
63 unsafe conditions; deterioration of site or other
64 improvements; diversity of ownership; tax or special
65 assessment delinquencies exceeding the fair value of the land;
66 defective or unusual conditions of title; or the existence of
67 conditions that endanger life or property by fire and other
68 causes; or any combination of the foregoing, substantially
69 impairs or arrests the sound economic growth of an area,
70 hinders the provision of housing accommodations, or
71 constitutes an economic or social liability and is a detriment
72 to the public health, safety, morals, or welfare in its
73 present condition and use.

74 c. Any area that is predominantly open and which
75 because of obsolete platting, diversity of ownership,
76 deterioration of structures or of site improvements, or
77 otherwise, substantially impairs or arrests the sound economic
78 growth of an area.

79 d. Any area that the local governing body: (i)
80 Determines is in need of redevelopment, rehabilitation, or
81 revitalization to provide for the economic growth and
82 development of the area 7i or (ii) certifies is in need of
83 redevelopment or rehabilitation as a result of flood, fire,
84 hurricane, tornado, earthquake, storm, or other catastrophe



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85 which the Governor of the state has certified the need for
86 disaster assistance under federal law.

87 e. Any area containing excessive vacant land on which
88 structures were previously located; on which are located
89 abandoned or vacant buildings or old buildings; where
90 excessive vacancies exist in existing buildings; which
91 contains substandard structures; or with respect to which
92 there exist delinquencies in payment of real property taxes.

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

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

101 (4) LOCAL FINANCE OFFICER. The legally authorized
102 officer or agent responsible for receipt and disbursement of
103 the revenues of a taxing authority.

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

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

111 a. Is located, in whole or part, within its boundaries
112 or corporate limits.



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113 b. Is suitable for the site of an automotive,
114 automotive-industry related, aviation, aviation-industry
115 related, medical, pharmaceutical, semiconductor, computer,
116 electronics, energy conservation, cyber technology, or
117 biomedical industry manufacturing facility or facilities.

118 c. Is an area within which not less than one hundred
119 million dollars (\$100,000,000) of capital expenditure in
120 connection with the establishment, expansion, construction,
121 equipping, development, rehabilitation, or redevelopment of
122 the facility or facilities is anticipated to be made based
123 upon representations and information provided by the
124 anticipated user or users of the facility or facilities and
125 other information as the local governing body shall have
126 available to it and deems appropriate.

127 (7) MUNICIPALITY. Any incorporated municipality in this
128 state.

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

132 a. As determined by the local governing body, the
133 elimination and prevention of the development or spread of
134 blight in, or the redevelopment or revitalization of, a
135 blighted or economically distressed area, including, but not
136 limited to, property acquisition, property clearance,
137 development, preservation, redevelopment, rehabilitation,
138 renovation, or conservation, or a combination or part thereof,
139 in accordance with a project plan.

140 b. The utilization of underutilized real or personal



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141 property, or both, in an enhanced use lease area, including,
142 but not limited to, property acquisition, property clearance,
143 development, redevelopment, rehabilitation, or conservation,
144 or a combination or part thereof, in accordance with a project
145 plan.

146 c. The utilization of underutilized real property in an
147 area determined by a local governing body to be a Major 21st
148 Century Manufacturing Zone, including, but not limited to,
149 property acquisition; property clearance; development,
150 including, without limitation, public infrastructure
151 improvements and any other improvements for the construction
152 and equipping of automotive, automotive-industry related,
153 aviation, aviation-industry related, medical, pharmaceutical,
154 semiconductor, computer, electronics, energy conservation,
155 cyber technology, or biomedical industry manufacturing
156 facilities; or the redevelopment, rehabilitation, or
157 conservation, or a combination or part thereof, in accordance
158 with a project plan.

159 (9) PROJECT COSTS. Any expenditures made or estimated
160 to be made or monetary obligations incurred or estimated to be
161 incurred by a public entity, which in the case of expenditures
162 for or within a Major 21st Century Manufacturing Zone may be
163 incurred directly by the public entity or by a private entity
164 with funds granted by, or otherwise made available from, a
165 public entity, which are listed in a project plan as costs of
166 public works or improvements or, in the case of improvements
167 within a Major 21st Century Manufacturing Zone, public works
168 or improvements or private improvements, within a tax



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169 increment district, plus any costs incidental thereto,
170 diminished by any special assessments, received or reasonably
171 expected to be received by the public entity in connection
172 with the implementation of the project plan. Project costs
173 include, but are not limited to, all of the following:

174 a. Capital costs, including the costs of the
175 acquisition, installation, or construction of public works or
176 improvements, new buildings, facilities or improvements,
177 structures, and fixtures, the preservation and renovation of
178 properties of historic significance and facades of properties,
179 the demolition, alteration, remodeling, repair, or
180 reconstruction of existing buildings, structures, facilities,
181 and fixtures, the improvement, maintenance, repair,
182 renovation, and replacement of property pursuant to a project
183 plan, the acquisition of equipment, the acquisition, clearing,
184 and grading of land, environmental remediation of real
185 property, and the acquisition of interests in land.

186 b. Financing costs, including all interest paid to
187 holders of tax increment obligations during the period of
188 implementation of the project plan, the costs of any form of
189 credit enhancement, printing and trustee costs, and any
190 premium paid in excess of the principal amount thereof because
191 of the redemption of the obligations prior to maturity.

192 c. Real property assembly costs, meaning any deficit
193 resulting from the sale or lease as lessor by the public
194 entity of real or personal property within a tax increment
195 district for consideration which is less than its cost to the
196 public entity.



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197 d. Professional service costs, including those costs
198 incurred for architectural, planning, engineering, fiscal,
199 underwriting, legal advice and services, and consulting and
200 management services.

201 e. Imputed administrative costs, including reasonable
202 charges for the time spent by officers and employees of the
203 public entity in connection with the implementation of a
204 project plan.

205 f. Relocation costs, including those relocation
206 payments made following condemnation under Chapter 1A of Title
207 18.

208 g. Organizational costs, including the costs of
209 conducting environmental impact and other studies and the
210 costs of informing the public with respect to the creation of
211 tax increment districts and the implementation of project
212 plans.

213 h. The amount of any contributions made in connection
214 with the implementation of the project plan that are within
215 limits prescribed by law.

216 i. Payments made, at the discretion of the local
217 governing body, which are to be necessary or convenient to the
218 creation of tax increment districts or the implementation and
219 management of project plans.

220 j. For purposes of any tax increment district in which
221 not less than 50 percent, by area, of the real property within
222 the tax increment district is an enhanced use lease area, all
223 costs described in this subdivision which are expended by a
224 public entity or a developer within three years immediately



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225 preceding the date of the creation of the tax increment
226 district.

227 k. For purposes of any tax increment district which
228 includes an area that a local governing body has determined to
229 be a Major 21st Century Manufacturing Zone, the costs incurred
230 by a public entity to acquire land or interests in land
231 forming all or part of such Major 21st Century Manufacturing
232 Zone prior to the date of creation of the tax increment
233 district; provided, prior to incurring such costs the local
234 governing body of such public entity has recited its intent to
235 reimburse such costs from ad valorem taxes collected within a
236 future tax increment district.

237 (10) PROJECT PLAN. The properly approved plan by the
238 public entity creating a tax increment district for the
239 development, redevelopment, or revitalization of a tax
240 increment district, including all properly approved amendments
241 thereto.

242 (11) PUBLIC ENTITY. Any municipality or county in the
243 state.

244 (12) TAX INCREMENT. That amount obtained by multiplying
245 the total revenue derived from ad valorem taxes levied by all
246 local taxing authorities on all taxable property within a tax
247 increment district in any tax year by a fraction having a
248 numerator equal to that tax year's market value of all taxable
249 property in the district minus the tax increment base and a
250 denominator equal to that tax year's equalized value of all
251 taxable property in the district. In any tax year, a tax
252 increment is positive if the tax increment base is less than



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253 the aggregate value of taxable property as equalized by the
254 Department of Revenue; it is negative if the base exceeds that
255 value.

256 (13) TAX INCREMENT BASE. The aggregate value, as
257 equalized by the Department of Revenue, of all taxable
258 property located within a tax increment district on the date
259 the district is created, determined as provided in Section
260 11-99-5.

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

264 (15) TAX INCREMENT FUND. A fund into which all tax
265 increments not retained by a taxing authority as provided by
266 Section 11-99-10(a) are paid, and from which money is
267 disbursed to satisfy claims of holders of tax increment
268 obligations issued for the tax increment district.

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

272 (17) TAXABLE PROPERTY. All real and personal property
273 located in a tax increment district which is subject to ad
274 valorem taxation on the date of adoption of the resolution
275 creating the tax increment district.

276 (18) TAXING AUTHORITY.

277 a. For tax increment districts in which not less than
278 50 percent, by area, of the real property within the tax
279 increment district is a blighted or economically distressed
280 area, the term means any municipality, county, or other taxing



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281 authority that has the power to levy taxes on property within
282 the tax increment districts.

283 b. For tax increment districts in which not less than
284 50 percent, by area, of the real property within the tax
285 increment district is an enhanced use lease area, the term
286 means the state or any municipality, county, or other taxing
287 authority that has the power to levy taxes on property within
288 the tax increment district.

289 c. For tax increment districts ~~in which not less than~~
290 ~~50 percent, by area, of the real property within the tax~~
291 ~~increment district is~~ which include an area that a local
292 governing body has determined to be a Major 21st Century
293 Manufacturing Zone, the term means the state or any
294 municipality, county, or other taxing authority that has the
295 power to levy taxes on property within the tax increment
296 district."

297 "§11-99-4

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

300 (1) The local governing body shall hold a public
301 hearing at which all interested parties are afforded a
302 reasonable opportunity to express their views on: (i) the
303 concept of tax increment financing; (ii) the proposed creation
304 of a tax increment district and its proposed boundaries; and
305 (iii) its benefits to the public entity. Notice of the hearing
306 shall be published in a newspaper of general circulation in
307 either the county or in the city, as the case may be, in which
308 the proposed tax increment district is to be located with



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309 notice to be published at least twice in the 15-day period
310 immediately preceding the date of the hearing. Prior to
311 publication, a copy of the notice shall be sent by first class
312 mail to the chief executive officer of each deferred tax
313 recipient.

314 (2)a. In addition to the notice required by subdivision
315 (1), and either before or after the public hearing, the local
316 governing body shall make a written submission to the
317 governing body of each deferred tax recipient. The submission
318 shall include a description of the proposed boundaries of the
319 tax increment district, the tentative plans for the
320 development, redevelopment, or revitalization of the tax
321 increment district, and an estimate of the general impact of
322 the proposed project plan on property values and tax revenues.

323 b. Not later than the 15th day after the date on which
324 the notice required by subdivision (1) is mailed, each
325 deferred tax recipient shall designate a representative
326 empowered to meet with the local governing body to discuss the
327 project plan and the tax increment financing and shall notify
328 the local governing body of its designation. Failure of any
329 deferred tax recipient to designate a representative within
330 the 15-day period, or to notify the local governing body of
331 its designation, shall not prevent the local governing body
332 from proceeding hereunder. If a deferred tax recipient who has
333 failed to so designate a representative thereafter designates
334 a representative and notifies the local governing body of the
335 designation, the representative shall be entitled to notice of
336 any meetings held thereafter pursuant to this section, and



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337 shall be entitled to attend the meetings, but shall have no
338 right to have matters discussed again which have already been
339 discussed.

340 c. The local governing body shall call a meeting, or
341 meetings, of the representatives of the deferred tax
342 recipients to be held at any time after 20 days from the
343 mailing notice referred to in subdivision (1). Each
344 representative shall be notified of each meeting at least
345 three days before the meeting is to be held, but notice may be
346 waived. At the meetings, the local governing body and the
347 representatives of the deferred tax recipients may discuss the
348 boundaries of the tax increment district, development within
349 the tax increment district, the exclusion of particular
350 parcels of property from the district, and tax collection for
351 the district. On the motion of the local governing body any
352 other matter relevant to the proposed tax increment district
353 may be discussed.

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

356 a. Describes the boundaries of the tax increment
357 district with sufficient definiteness to identify with
358 ordinary and reasonable certainty the territory included. The
359 description shall include only those whole units of property,
360 other than publicly owned property such as streets, easements,
361 and rights-of-way, assessed for general property tax purposes.
362 If the public entity is a county, the description shall
363 include only those areas that lie outside the corporate limits
364 of any municipality, unless the governing body of a



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365 municipality has consented to the inclusion of land within its
366 corporate limits within a tax increment district formed by a
367 county.

368 b. Creates the tax increment district as of a given
369 date after the date of adoption of the resolution. The date of
370 creation of the tax increment district may be a date
371 subsequent to the date of expiration of the period of duration
372 of an existing tax increment district of the public entity.

373 c. Fixes the period for the duration of the tax
374 increment district.

375 1. The duration may be for a period not to exceed 30
376 years from the date of creation of the tax increment district
377 in the case of a tax increment district in which not less than
378 50 percent, by area, of the real property within the tax
379 increment district is a blighted or economically distressed
380 area.

381 2. The duration may be for a period not to exceed 35
382 years from the date of creation of the tax increment district
383 in the case of a district in which not less than 50 percent,
384 by area, of the real property within the tax increment
385 district is an enhanced use lease area or which includes an
386 area that a local governing body has determined to be a Major
387 21st Century Manufacturing Zone, unless an amendment is made
388 to the project plan under subdivision (7).

389 d. Assigns a name to the tax increment district for
390 identification purposes, such as "tax increment district
391 number one."

392 e. Contains findings, which shall not be subject to



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393 judicial review except after a showing of fraud, corruption,
394 or undue influence, that:

395 1. (A) Not less than 50 percent, by area, of the real
396 property within the tax increment district is: (i) In need of
397 rehabilitation, redevelopment, revitalization, or conservation
398 work, or (ii) an enhanced use lease area; or ~~(iii)~~ (B) the tax
399 increment district includes an area that a local governing
400 body has determined to be a Major 21st Century Manufacturing
401 Zone; and

402 2. The aggregate value of equalized taxable property in
403 the tax increment district plus all existing tax increment
404 districts created by the public entity does not exceed 10
405 percent of the total value of equalized taxable property
406 within the public entity or 50 percent if the public entity is
407 a Class 2 or Class 3 municipality. Provided, however, that
408 equalized taxable property located within the boundaries of a
409 military reservation, jurisdiction over which has been ceded
410 to the United States pursuant to Section 42-3-1, shall be
411 excluded from aggregated value.

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

415 1. A statement listing the proposed projects,
416 including, without limitation and if applicable, the kind,
417 number, and location of all proposed public works or
418 improvements or, in the case of a Major 21st Century
419 Manufacturing Zone, public works or improvements or private
420 improvements, within the district.



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421 2. A detailed list of estimated project costs.

422 3. A description of the methods of financing all
423 estimated project costs and the time when related costs or
424 monetary obligations are to be incurred.

425 4. A map showing existing uses and condition of real
426 property in the district.

427 5. A map or description showing proposed improvements
428 and uses therein.

429 6. Proposed changes of zoning, master map plan,
430 building code, and other ordinances or resolutions affecting
431 the district.

432 7. A list of estimated nonproject costs.

433 8. A proposed plan for the relocation of any families,
434 individuals, and businesses to be temporarily or permanently
435 displaced from housing or commercial facilities in the
436 district by implementation of the plan.

437 b. For purposes of this chapter, any work or
438 improvement for a military installation and located within an
439 enhanced use lease area shall be deemed to be for public uses
440 and purposes.

441 (5) The local governing body shall certify all of the
442 following before approving the project plant:

443 a. That a feasible method exists for the relocation and
444 compensation of any individuals, families, and businesses that
445 will be displaced by the project in decent, safe, and sanitary
446 accommodations within their means and without undue hardship
447 to such individuals, families, and businesses.

448 b. That the project plan conforms to the applicable



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449 master plan of the local entity, if there is one.

450 c. That the project plan will afford maximum
451 opportunity, consistent with the sound needs of the public
452 entity as a whole, for the rehabilitation, redevelopment, or
453 revitalization of the tax increment district by private
454 enterprise.

455 (6) A copy of the project plan shall be mailed to the
456 governing body of each deferred tax recipient, before approval
457 of the project plan.

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

461 (8) The public entity that created the tax increment
462 district, and each deferred tax recipient with respect to the
463 tax increment district, notwithstanding any provision in this
464 chapter to the contrary, by written mutual agreement duly
465 authorized, executed, and delivered thereby, may establish an
466 advisory board for the tax increment district composed of the
467 mayor or the chair of the county commission of the public
468 entity, as appropriate, a member of the governing body of the
469 public entity that represents the largest area in the tax
470 increment district, and other members as the respective
471 governing body, or its designee, of each deferred tax
472 recipient may appoint; provided a majority of the members of
473 an advisory board must be members of the governing body of the
474 public entity.

475 (b) Judicial review of a decision of a public entity
476 related to a tax increment district shall be as provided by



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477 law."

478 "§11-99-5

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

481 (b) Upon application in writing by the local finance
482 officer, the tax assessor, or the officer of the county
483 performing the duties of a tax assessor, for each county in
484 which any part of the district is located shall determine,
485 according to his or her best judgment from all sources
486 available to him or her, the full aggregate value of the
487 taxable property in the district located in that county as of
488 the date of creation of the tax increment district. The
489 aggregate valuation from all such tax assessors or other such
490 public officials, upon certification to the local finance
491 officer, shall constitute the tax increment base of the
492 district~~;~~ provided, ~~however,~~ if a public entity creates a
493 district that is to succeed and continue the programs and
494 project plans for redevelopment and revitalization of property
495 in an existing tax increment district upon its expiration, the
496 public entity and each deferred tax recipient with respect to
497 the successor tax increment district, notwithstanding any
498 provision in this chapter to the contrary, by written mutual
499 agreement duly authorized, executed, and delivered thereby,
500 may agree that the aggregate value of all taxable property
501 included in both the expiring district and the successor
502 district shall be the aggregate value of the taxable property
503 as originally determined for the tax increment base of the
504 expiring district as of the date of creation of the expiring



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505 district and without redetermination of the value of the
506 taxable property as of the date of creation of the successor
507 district or some other date.

508 (c) If the public entity that created a tax increment
509 district in which not less than 50 percent, by area, of the
510 real property within the tax increment district is a blighted
511 or economically distressed area adopts an amendment to the
512 original project plan for the tax increment district that
513 includes additional project costs for which tax increments may
514 be received by the public entity, the tax increment base for
515 the district shall not be redetermined.

516 (d) If the public entity that created a tax increment
517 district in which not less than 50 percent, by area, of the
518 real property within the tax increment district is an enhanced
519 use lease area or which includes an area that a local
520 governing body has determined to be a Major 21st Century
521 Manufacturing Zone adopts an amendment to the original project
522 plan for the tax increment district that includes additional
523 project costs for which tax increments may be received by the
524 public entity or an expansion of the tax increment district,
525 the tax increment base for the district shall not be
526 redetermined.

527 (e) There shall be a rebuttable presumption that any
528 property within a tax increment district, acquired or leased
529 as lessee by the public entity or any agency or
530 instrumentality thereof within one year immediately preceding
531 the date of the creation of the district, was so acquired or
532 leased in contemplation of the creation of the district. The



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533 presumption may be rebutted by the public entity with proof
534 that the property was so leased or acquired primarily for a
535 purpose other than to reduce the tax increment base. If the
536 presumption is not rebutted, in determining the tax increment
537 base of the district, but for no other purpose, the taxable
538 status of the property shall be determined as though the lease
539 or acquisition had not occurred.

540 (f) The local tax assessor or person performing his or
541 her duties shall identify upon the tax records prepared by him
542 or her under Chapter 7 of Title 40 those parcels of property
543 which are within each existing tax increment district,
544 specifying the name of each district. A similar notation shall
545 also appear on the tax records made by the local finance
546 officer.

547 (g) The Department of Revenue shall annually give
548 notice to the designated finance officer of all taxing
549 authorities levying taxes on property within each district as
550 to both the assessed and equalized value of the property and
551 the assessed and equalized value of the tax increment base.
552 The notice shall state that the taxes collected in excess of
553 the base will be paid to the public entity."

554 "§11-99-6

555 (a) Positive tax increments of a tax increment district
556 shall be allocated and paid over to the public entity that
557 created the district for each year commencing on the October 1
558 following the date when the district is created until the
559 earlier of:

560 (1) That time, after: (i) The period of duration of the



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561 tax increment district, as established pursuant to this
562 chapter, has expired~~r;~~ and (ii) the completion of all projects
563 and public improvements specified in, or purposes of, the
564 project plan or amendments thereto, when the public entity has
565 received aggregate tax increments from the district in an
566 amount equal to the aggregate of all expenditures previously
567 made or monetary obligations previously incurred for project
568 costs for the district; or

569 (2) Thirty-five years after the last expenditure
570 identified in the project plan is made. No expenditure may be
571 provided for in the project plan to be made more than five
572 years after the district is created, except as may be provided
573 in an amendment to the project plan, and except in Class 3
574 municipalities where the expenditures may be made not more
575 than 10 years thereafter if so provided and in tax increment
576 districts in which not less than 50 percent, by area, of the
577 real property within the tax increment district is an enhanced
578 use lease area where the expenditures may be made not more
579 than 15 years thereafter if so provided, unless an amendment
580 is adopted by the local governing body under ~~subdivision (7)~~
581 ~~of~~ Section 11-99-4(7).

582 (b) Notwithstanding any other provision of law, every
583 officer charged by law to collect and pay over or retain local
584 general property taxes in the case of a tax increment district
585 in which not less than 50 percent, by area, of the real
586 property within the tax increment district is a blighted or
587 economically distressed area, or state and local general
588 property taxes in the case of a tax increment district in



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589 which not less than 50 percent, by area, of the real property
590 within the tax increment district is an enhanced use lease
591 area or which includes an area that a local governing body has
592 determined to be a Major 21st Century Manufacturing Zone,
593 shall first, on the next settlement date provided by law, pay
594 over to the local finance officer out of all the taxes that
595 have been collected, that portion that represents a tax
596 increment allocable to a tax increment district, identifying
597 the amount for each district.

598 (c) All tax increments received for a tax increment
599 district, upon receipt by the local finance officer, shall be
600 deposited into the tax increment fund for that district. The
601 local finance officer may deposit additional monies into the
602 fund pursuant to an appropriation by the local governing body.
603 Monies shall be paid out of the fund only for direct payment
604 of, or to reimburse the public entity for payments theretofore
605 made by it for principal of or interest on tax increment
606 obligations for that district if the obligations are general
607 obligations of the public entity, or to satisfy claims of
608 holders of tax increment obligations issued for that district,
609 or for direct payment of, or to reimburse the public entity
610 for payments theretofore made by the public entity that are
611 used to pay project costs. Subject to any agreement with
612 security holders, monies in the fund may be temporarily
613 invested in the same manner as other surplus funds of the
614 public entity. After the principal of and interest on all tax
615 increment obligations of the district have been paid or
616 provided for, subject to any agreement with security holders,



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617 if there remains in the fund any monies, they shall be paid
618 over to the chief finance officer of the state, each county,
619 each municipality, each school district, and to the general
620 fund of the public entity in amounts as are due to each
621 respectively, having due regard for what portion of these
622 monies, if any, represents tax increments not allocated to the
623 public entity and what portion thereof, if any, represents
624 voluntary deposits of the public entity into the fund."

625 Section 2. This act shall become effective immediately.