

SB370 ENGROSSED



1 SB370
2 QN6CF55-2
3 By Senators Livingston, Butler, Kitchens, Orr
4 RFD: Fiscal Responsibility and Economic Development
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 2026-106 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~~r,~~ 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.

SB370 Engrossed



611
612
613 Senate

614 Read for the first time and referred17-Mar-26
615 to the Senate committee on Fiscal
616 Responsibility and Economic
617 Development
618
619 Read for the second time and placed19-Mar-26
620 on the calendar:
621 0 amendments
622
623 Read for the third time and passed31-Mar-26
624 as amended
625 Yeas 30
626 Nays 0
627 Abstains 0
628
629

630 Patrick Harris,
631 Secretary.
632