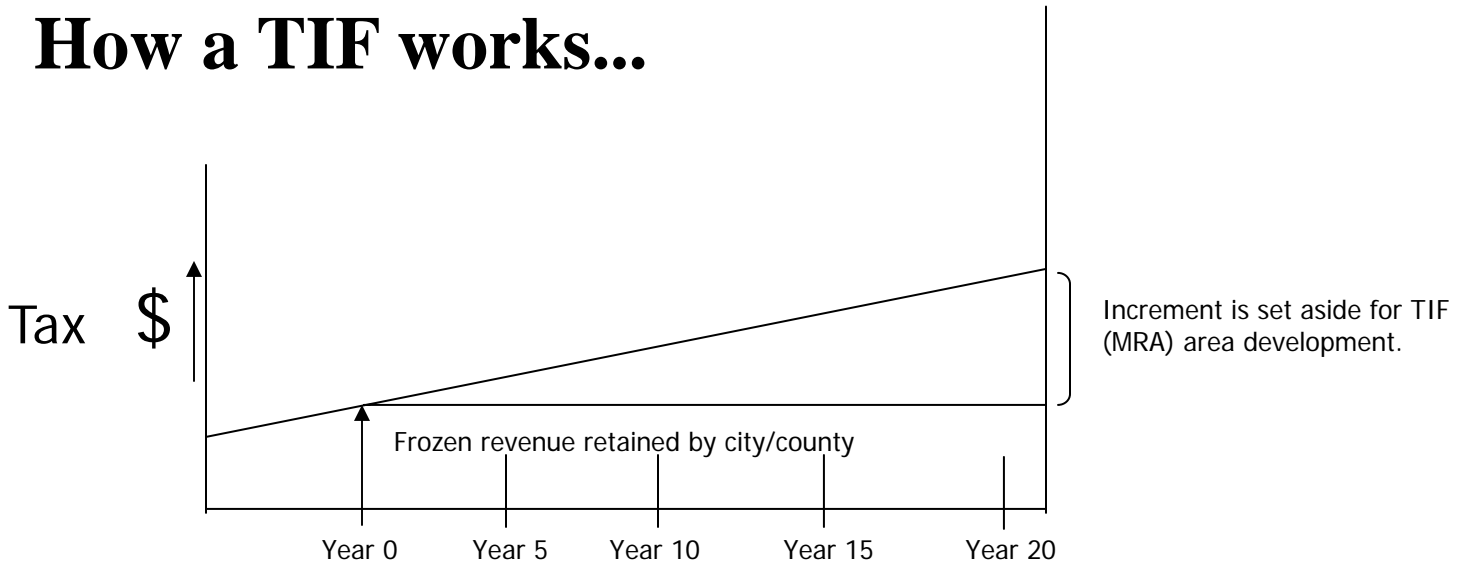




Notes on Development Districts

	TIF	TIDD	BID
	Tax Increment Finance District	Tax Increment Development District	Business Improvement District
	<i>Easiest and quickest to implement.</i>	<i>Takes significant time to collaborate and involve community. State application process is complex.</i>	<i>Probably not a good choice for NM communities.</i>
what it is	preservation of increment of taxes for downtown development	preservation of increment of taxes for downtown development	new tax on businesses in the downtown district
tax it uses	no new tax	no new tax	new tax
	use existing property tax	use existing property tax and GRT	
who it affects	city and/or county	city and/or county and state	business district
designation	enabling legislation through the state	enabling legislation through the state	requires new legislation locally
	created through an MRA plan	no MRA required, can be a greenfield or brownfield	new legislative vote required
property owner participation	requires 1st class mailing to district property owners	requires a 100% participation petition from property owners or majority vote in a general election	majority vote in an general election of affected property owners only
city participation	requires approval of city commission/counsel	presented at the commission/council, no approval necessary	presented at the commission/council, no approval necessary
life of tax	20 years, can be reauthorized	30 years, can be reauthorized	
use	projects in the MRA district only	projects in the designated area only	projects in the designated area only
include private use	yes	only if MRA is present to offset the anti-donation clause	
how collected	Property tax level is "frozen" and city/county continue to collect current level of tax. The increment of growth is accumulated and put into an account for MRA area development.	Property tax level is "frozen" and city/county continue to collect current level of tax. The increment of growth is accumulated and put into an account for MRA area development.	
		Can also do the same for GRT and have the option to collect up to 75% of the state portion also.	
oversight	City commission can act as the district board or a new one can be created; some communities use their MainStreet board to collect projects and make recommendations for city commission final approval.	Creation of a new District Board	
how used	Typically the tax is used as security to bond for project funds.		

How a TIF works...



Differences Between TIF and TIDD Income

