

# INVEST IN OUR DOWNTOWNS' FUTURE TODAY:

## Senate Bill 677 "An Act Establishing Tax Incremental Financing Districts"

The **Connecticut Main Street Center (CMSC)**, the **CT Chapter of the American Planning Association (CCAPA)**, the **CT Economic Development Association (CEDAS)**, **Pullman & Comley, LLC** and other parties interested in creating vibrant downtowns are proposing new Tax Increment Financing ("TIF") legislation that will benefit a wider variety of projects—including Transit Oriented Development, increased housing opportunities and more commercial development throughout the state.

### What is TIF?

Simply put, Tax Increment Financing is a mechanism by which an anticipated future increase in property tax revenue is used to fund current investment in development or redevelopment. Investments are made in projects today, then repaid over time with the increased tax revenue generated as the development spurs increased property values (an increase that would not have occurred "but for" the investment).

### Why is expanded TIF legislation important?

Although there is current TIF legislation in Connecticut, it is often cumbersome, requiring approval from several state agencies. It also does not allow for the creation of TIF districts, where the cumulative benefit of the additional investment can be collected, providing critical tools for downtowns.

### S.B. 677 gives municipalities more control and flexibility to use TIF:

- Allows municipalities to determine their own TIF districts and create a district plan for the development.
- Enables municipalities to use all or part of the TIF revenue for projects within a TIF district.
  - ⇒ A portion of the incremental TIF revenue can be retained by the municipality to pay for increased governmental services created by the development.
  - ⇒ TIF revenues can be used to repay the debt service on the TIF bonds and/or collected and segmented for future projects within the TIF district on a pay-as-you go basis.
- Lowers financing costs by allowing municipalities to issue general obligation bonds for TIF projects.
- Customizes investment to meet the needs of the locality by allowing the municipality to determine what types of projects and costs can be paid with TIF revenues.



Parade Plaza, New London

### What you can do:

- **Contact your legislator** and tell them to support your downtown by passing S.B. 677, "An Act Establishing Tax Incremental Financing Districts."
- **Forward this flyer** to your boards, volunteers, and everyone who cares about Connecticut's downtowns.

Call & Email Your Legislator | Forward this Message

