



Muhlenberg Alliance for Progress Tax Increment Financing (TIF) Local Vacant Land

This fact sheet provides an overview of the TIF program. For a full discussion of the program requirements, please see KRS Chapter 65 and 154

Local Development Area TIF under KRS 65.7047 (Vacant Land)

Description

This program is available to develop vacant land by using the additional incremental local taxes, such as property or occupational taxes, realized as a result of the new development (example: construction of infrastructure at a local industrial park). State tax increment is not available for this type of development area.

General Requirements

In any 12 month period, a city or county may approve a development area of a previously undeveloped tract of land no larger than 1,000 acres as long as it shall not cause the tract to represent over 20% of the assessed value of all taxable real property in the jurisdiction.

Process

The city or county must hold a public hearing to receive input on the proposed local development area and proposed projects within that development area. Publication of proper hearing notice is required in accordance with KRS 424.130.

If, after the public hearing, the city or county proceeds with the development area, they must adopt an ordinance, including but not limited to the provisions required by KRS 65.7047(2)(b).

A local development agreement must be executed among agencies and taxing district involved, identifying tax increments released or pledged, and the other provisions required by KRS 65.7047(4). The city or county may adopt the agreement by ordinance and any other taxing districts or agencies by resolution.

If wage assessments are identified to be used as part of the TIF, the city or county must report the pledge of those assessments to the Kentucky Economic Development Finance Authority. A boundary description, commencement date, activation date and termination date must be identified in that report.