



**Kansas Department of Commerce**  
**HB 2086 – Technical changes to the Tax Increment Financing (TIF) and**  
**Community Improvement District (CID) statutes**

**Prepared for the House Commerce, Labor and Economic Development Committee**  
**Room 346-S, The Statehouse**  
**Feb. 26, 2013**

The Department of Commerce requests that the House Commerce, Labor and Economic Development Committee support **HB 2086**, which offers a technical change to the Tax Increment Financing (TIF) and Community Improvement District (CID) statutes.

This will allow the underlying program to be better utilized by local units of government to increase economic development in Kansas and create more jobs.

In regards to TIF statutes, this technical change would allow for infrastructure outside of the district – but necessary for the plan to be financed – to be included in the project. It would also allow a city to pledge all or a portion of city sales tax and transient guest tax for a TIF.

Current law requires a city to pledge all or nothing of the project's sales tax generated in the district, and this would provide greater flexibility to the city in financing these projects. In addition, this technical change would bring the sales tax/transient guest tax into conformity with how property tax is handled.

For a CID, this technical change would allow infrastructure necessary for the project but located outside the CID to be financed as above.

Project Example: A local unit of government creates a TIF district to finance a new retail center. There's an interchange off the highway near the district that needs work to accommodate the expected increased traffic. The revised statutes would allow the interchange to be included as part of the TIF district, because the interchange would directly support the district.

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House Commerce & Economic  
Development Committee

Date: 2.26.13

Attachment #: 1