



TAX INCREMENT FINANCE DISTRICTS

WHAT IS A TIF?

- Tax Increment Finance District
- Financing / investment tool

WHAT DOES A TIF DO?

- Provide funding for public improvements
- Stimulate positive economic development activity
- Expand the municipal tax base

WHAT DOESN'T A TIF DISTRICT DO?

- Change zoning requirements
- Increase taxes within the District
- Create special fees or assessments within the District
- Alter property rights

HOW DOES A TIF FUNCTION?

- Established by Town Meeting (RSA162-K)
- District is defined by specific parcels to be included
- Assessor certifies the base value, known as the "original assessed value"
- Future increased values due to development known as "captured assessed value" (CAV)
- Maximum of 100% of the taxes generated by the CAV for implementation of TIF plan
- Any portion of the CAV not needed for the district plan is returned to the general fund
- Revenues from CAV can be used only for plan implementation within the district
- After the TIF plan is complete and improvements are paid for, District "ends"
- All future tax revenues generated in the district go to the general revenues of the Town

WHAT CAN A MUNICIPALITY DO WITH A TIF?

- New or upgraded streets & sidewalks
- Traffic signals
- Sewer collection & disposal
- Public water supply
- Parking
- Landscaping & other public improvements