

TAX INCREMENT FINANCING (TIF)



Treasurer
Mike Pellicciotti

Updating legislation necessary to ensure that ports and cities can proceed with tax increment financing.

Senate Bill 5539

Sen. Annette Cleveland (D)
Sen. Lynda Wilson (R)

House Bill 1527

Rep. Sharon Wylie (D)
Rep. Bryan Sandlin (R)

Economic development opportunities are in jeopardy for ports and cities without technical changes this session to the tax increment financing law (HB 1189, 2021 session).

WHAT IS TIF?

Tax increment financing, or TIF, is a financing tool that local governments in Washington state may use to fund public infrastructure projects, with the objective of encouraging private development and investment in their jurisdiction, by using its increased property tax revenue to finance infrastructure improvements.



Real Property Definition

Provides consistency with the definition of "real property" and includes privately owned or leased improvements on publicly owned



State-Owned Land

Clarifies that infrastructure improvements can be made on state or local government-owned land.



Relocation

Ensures relocation and construction of a government-owned facility will be included as an approved public improvement.



Acquisition

Makes it clear that "public improvement costs" includes acquisition including appurtenant rights.

Implementation challenges with the local tax increment financing law that was passed in 2021 (HB 1189) requires technical corrections to ensure the intent of the legislation is met.

Changes in the 2023 legislative session are necessary to ensure the ability of the Port of Vancouver and Chelan/Douglas and the cities of Kirkland, Pasco, and Lakewood can proceed with their tax incrementing financing projects.

WHAT IS NEEDED?



TRE.WA.GOV/LEGISLATION