

**DDA/TIFA PROPERTY TAX CAPTURE POLICY**  
**Adopted 8-12-03**

**1. PURPOSE**

The purpose of this policy is to formulate a comprehensive written County Policy, which clearly defines the Board of Commissioners position with respect to Downtown Development Authorities (DDA) and Tax Increment Financing (TIFA). The policy also communicates to County Elected Officials, Department Heads, Municipalities, and the General Public the formal County policy with respect to tax increment financing. The County Equalization Director shall be responsible for the implementation of this policy.

**2. POLICY**

2.1 The following policy shall apply to Tax Increment Financing Authorities (TIFA) who are considering improvements to be made in a Downtown Development Authority District (DDA) under Act 197 of 1975 as amended, and also shall apply to any authority established under any statute when that authority desires to capture County tax revenues. Item (8) shall apply to all capturing authorities, both existing and proposed.

2.1.1 In order for the County to consider allowing the capture of property tax revenue in a DDA District subject to capture, and not opt out, a plan must be submitted to the Tuscola County Equalization Director for review by the Tuscola County Board of Commissioners at least 60 days before the time in which the County's time to opt out of the capture expires.

2.1.2 Said plan must have sufficient detail to explain projects to be undertaken, costs, and timeline to complete the projects. The plan shall include all information required by statute for the establishment of the district as well as a list of the parcel numbers of all properties, both real and personal, to be included in the district, and the taxable value of each property in the base year. The plan will specify what assessment year is the base year for the establishment of the initial value of the district. The plan will specify the assessment year in which the capture of revenues will first occur.

2.1.3. The Tuscola County Board of Commissioners evaluation of the plan will be an important factor in determining whether a capture will be authorized.

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- 2.1.4 All incremental updates to the original plan must be submitted at least (60) days before the date on which the County's right to opt out of the capture expires to the Tuscola County Equalization Director for review by the Tuscola County Board of Commissioners. No expansion of district boundaries, to gain a larger capture, are permitted without approval from the Tuscola County Board of Commissioners.
- 2.1.5 The Tuscola County Board of Commissioners may allow a capture of 50% of property tax revenue resulting from growth in total taxable value of the district, both from change in value of existing land, structures and contents in the district, removal, and from new construction or demolition in the district.
- 2.1.6 The above described property tax revenue capture will not be allowed for a period of longer than five (5) years. At the end of five (5) years, a review will be conducted by the Tuscola County Board of Commissioners to determine whether a capture will continue to be allowed.
- 2.1.7 The County Equalization Director will maintain appropriate information to record taxable value changes and property tax captures from all DDA districts in Tuscola County.
- 2.1.8 Each year, prior to the retention of captured revenues, the capturing authority shall submit to the County a list of all parcels in the district showing the initial value, the year in which the initial value was established, current value, and captured value. The values submitted shall be examined for validity by the County. Only those revenues as determined by the County to be validly captured shall be retained by the district/authority. This shall apply to all districts, both new and existing.
- 2.1.9 The County opts out and will not opt back in for property tax capture in a local unit of government that declares an area outside of the business district part of the DDA/TIFA because expansion beyond the business district violates the DDA Act.