

The Path to Tax Increment Financing

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What? So What? Now What?

- How it works and it's been used elsewhere. (Mike Bacon)
- What potential is represented in Wyoming. (Ryan Whitehead)
- How can we gain access to this tool in Wyoming?

The Process of Engaging TIF for Wyoming

A simple two step process! -Right????

- Must be codified in Statute
- Must have Administrative Rules established by the Authorizing Agency

Not Quite that
Simple!!!

The following is my interpretation of **one** approach to create TIF in Wyoming ...

other approaches exist!

What I am attempting to do in this presentation is to alert you to two things:

- 1) This legislation won't just happen
- 2) It will take a concerted effort on the part of WEDA and its partners to make TIF a reality.

Starting Point - Survey the Landscape

- What is the climate /temperature of the legislative body?
- Can you use this climate to your advantage or is it best to pick a better time?
- How can understanding this help you move closer to the intent of gaining TIF in Wyoming?

Possible Options

- Solicit an aggressive Bill Sponsor and Support for Legislative Action in the 2016 Budget Session
 - Requires 2/3 vote at introduction for committee referral
- Solicit Support for referral to an Interim Committee with intent to have committee bring legislation forth in the 2017 Session
 - Likely to be positioned in the Revenue Committee

Review Enabling Legislation

- Draft language in place from previous attempts in Wyoming (at least 3 exist) Likely an additional section to WCA 15-9 - Urban Renewal
- Codified language from other States - Montana (MCA 7-15-4282), Nebraska Community Development Law (18-2101 - 18-2154), So. Dakota (11-9) Colorado 24-46-303 (sales) - 31-25-107
- Discuss bill language and history with previous sponsors and participants - *Ben Avery is a key contact....*
- Discuss potential legislation with the Legislative Services Office

Consider All Options

- Property Taxes
 - Less funding available (about 10% of project cost as an estimate)
- Sales and Use Taxes
 - May be more lucrative - yet more people at that trough!
- Must develop legislative strategy based upon the type of tax increment sought.

Next Find Legislative Champions

- Need to identify Key Champion(s) and the Pathway!
 - Revenue Committee
 - Minerals, Business and Economic Development
 - Joint Interim Committee on Economic Development

Who are Our Economic Development Allies ??

From Wyoming Legislature Website - <http://legisweb.state.wy.us/>

Helps us to prospect a bit:

What we can learn?

What is their Background?

Occupation / Degree / Family

What can we do to tie them in as an advocate/bill sponsor?

Who should or does know them? How do we engage them?

Create a Clear Message for Legislation

- Many people naively consider TIF as a set aside of taxes or an abatement. *“Somebody’s getting something for nothing.”*
- Key to know - Participating businesses pay FULL taxes.
- It’s how the local government USES those taxes that is key.
- We must be able to identify a **Clear Case** for use of TIF and the Economic Impact of this Funding Tool.

Message Content

- **Big Picture Wins!**
 - Jobs/Industry/ Future Growth
 - Must be near term/tangible examples
- **What is the Impact?**
 - What can be done and who wins?
- **Where Does the Money Come From?**
 - Must be able to clearly articulate the fund flow.
 - Emphasis on the TIF not being speculative.

Identify Stakeholders - Who Cares???

- EDO's - All WEDA MEMBERS
- WEDA Legislative Committee
- Local Governments - Locally
 - Includes Cities, Towns, County and Joint Powers Boards
- WAM - WCCA on a Statewide Basis
- Private Development Corporations

Identify Opposition

- All Consumers of Property Tax Dollars!
 - Schools
 - State Agencies
 - Local Government Departments

All Must Understand The Opposition Objections in order to craft the right message of the positive benefits of TIF Legislation

Make no mistake here - There will be opposition which is why strong champions and coalitions are necessary.

Grow a Coalition

- With Legislation Leadership, a bill draft and a clear message, the hard work begins!
- Each affected entity needs to be educated on the proposed legislation.
 - Entities need to be committed to carry message to their local legislators - prior to the Session.
- Engage key supporters to present in committee
- Invoke statewide WEDA Membership Lobby efforts

Final Thoughts

- Legislation related to taxes does not happen without a strong coalition of supporters.
- TIF works when the proposed increment comes from a near term, real project ... no speculative business parks or redevelopment areas.
- Wyoming could add a good tool to the toolbox with TIF, particularly for larger projects which exceed BRC funding limits.