

County seeks to shield RIDs

State official says tool has been 'improperly abused'

BY CANDICE BROOKS
BUTLER COUNTY BUREAU

HAMILTON — Butler County commissioners passed resolutions Thursday in an effort to shield two residential incentive districts from the effects of new limits on the economic development tool.

A new era begins Sunday for tax increment financing districts and the commissioners don't want their existing districts to be part of it.

Online

► Proposed changes to RIDs in House. For more on House Bill 66, visit us online.

journal-news.com

Residential incentive districts, also known as residential TIF districts or RIDs, allow government agencies to take additional tax revenue generated from increased property values in a defined area and divert the money into a fund allocated for road and other infrastructure improvements that benefit the area.

County officials have touted the creative financing as the provider of 40 percent of the county's funding for road improvements and the reason the county is a state leader in job creation.

However, state Rep. Bill Seitz, the sponsor of the TIF reforms in House Bill 66, said the tool has a purpose, but has been "improperly abused."

PLEASE SEE RID | A5

RID

County hoping to shield RIDs

CONTINUED FROM PAGE A1

Areas like Cincinnati have put thousands of acres in TIF districts with no designated projects, choking resources to tax-funded services, Seitz said. Butler County, the Cincinnati Republican added, has promoted urban sprawl using TIFs when the law was intended for use in urban blighted and poor rural areas.

"If everybody can use them, and basically everybody can, then actually it does help promote sprawl," Seitz said. "From the standpoint of a Hamilton, that's probably not a good thing because there's older housing and leading industries have folded up or are much reduced."

One of the abuses, Seitz said, is how school districts have been able to essentially hide their share of tax revenue collected in a TIF from the state funding formula. Therefore, the districts can "double dip," being reimbursed from a TIF and compensated by the state as a seemingly poorer school district, Seitz said.

After the new year begins, if school districts want to "double dip," then the sponsoring local government will need to foot the bill and pay the district what they could lose in state funding, Seitz said.

Area TIFs that can be up to 300 acres and residential TIFs, old and new, will be subject to new law requiring school districts to report TIF revenue to the state for its inclusion in the funding formula. However, there are six reasons existing TIFs can be exempted and the commissioners cited two of those reasons in resolutions Thursday to grandfather residential TIFs in Fairfield and Ross townships.

Those TIFs, formed in August, should be unaffected by the new law because the state Transportation Review Advisory Council has pledged money for the projects they will support and the collections will be used as a local match for a federally-funded project as well, said Gary Sheets, legal counsel for the commissioners.

Journal News

FRIDAY, DECEMBER 30, 2005

However, the TIF law changes are so complicated that county officials are not sure the exemption will work or how new TIFs will work.

"There's mass confusion. Even the people that are trying to do the RIDs and do the borrowing for them, they don't understand (the RIDs) either," Sheets said.

The creation of new TIFs could be nearly halted by the new rules and it could have a significant negative impact for Butler County, Commissioner Michael Fox said.

"Don't get rid of something because its being abused," Fox said. "For a county like ours it's a wonderful way to pay for the impacts of growth. The loss of that tool means more pressure will be put on the taxpayers to pay for the improvements."

The Ross Township TIF could generate \$13.1 million in increased property values from Dennison Farm, Ross Trails and Ross Estates subdivisions. The funds are earmarked to widen Black Road and make other transportation improvements at intersections in the area.

In Fairfield Township, property value increases from six subdivisions could accumulate \$10.6 million to help widen Bypass Ohio 4, Princeton Road, Gilmore Road from Princeton to Hamilton-Mason Road, and Hamilton-Mason from Gilmore to Iron Kettle Road.

Contact Candice Brooks at (513) 820-2175, or e-mail her at cbrooks@coxohio.com.