

## **Preferential Land Assessment Reference Guide**

Local Economic Revitalization Tax Act (LERTA) was created to improve the economic and business climate of certain residential and commercial districts by lessening the tax burden on new development. A LERTA provides 10 year tax abatement on new development. The property owner receives 100% property tax abatement in years 1 and 2, 90% abatement in year 3 and 4, 80% abatement in year 5 and 6, 70% abatement in year 7 and 8, and 60% abatement in year 9 and 10. The property owner pays the full property tax amount in year 11 and beyond.

Tax Increment Financing (TIF) is a financing instrument used to finance development in blighted areas. Tax increments from a proposed site are used to fund public infrastructure improvements at or around the site.

Transit Revitalization Investment District (TRID) is financing instrument that is used to spur transit oriented development. A TRID is similar to a TIF in the sense that tax increments are used to finance improvements. In the case of the TRID, the tax increment from properties within a define area is used to fund public transportation capital improvements, public infrastructure, related site development improvements, and maintenance.