

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-4662/1	Introduction Number AB-1054
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Description
 Authorizing the town of Madison to reduce the territory of an environmental remediation tax incremental district

Fiscal Effect

State:

- | | | |
|---|--|---|
| <input type="checkbox"/> No State Fiscal Effect
<input type="checkbox"/> Indeterminate
<input type="checkbox"/> Increase Existing Appropriations
<input type="checkbox"/> Decrease Existing Appropriations
<input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues
<input type="checkbox"/> Decrease Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Decrease Costs |
|---|--|---|

Local:

- | | | |
|---|--|---|
| <input type="checkbox"/> No Local Government Costs
<input checked="" type="checkbox"/> Indeterminate
1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
4. <input type="checkbox"/> Decrease Revenue
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Government Units Affected
<input checked="" type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others
<input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts |
|---|--|---|

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOR/ Paul Ziegler (608) 266-5773	Authorized Signature Paul Ziegler (608) 266-5773	Date 2/22/2006
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Fiscal Estimate Narratives

DOR 2/22/2006

LRB Number	05-4662/1	Introduction Number	AB-1054	Estimate Type	Original
Description Authorizing the town of Madison to reduce the territory of an environmental remediation tax incremental district					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a city, village, town, or county may create an environmental remediation tax incremental financing district (ERTIF). When an ERTIF is created, the Department of Revenue establishes a base value for the district. The property taxes on all value above the base are used to pay off the ERTIF district's project costs.

Under the bill, a town may, on a one time basis, subtract territory from an ERTIF district for which the Department of Revenue certified the base value before January 2, 2001, if all of the following apply:

- 1) Before October 2, 2006, the town adopts an amendment to the ERTIF district's plan that specifies the parcel to be removed from the district.
- 2) The remaining parcels are contiguous.
- 3) The joint review board approves the amendment.

The bill allows the Town of Madison in Dane County to remove territory from an existing ERTIF district. If the town uses this authority, the lifespan of the ERTIF district may be extended since the tax increment used to pay project costs will be determined on a smaller number of parcels. The time period during which overlying taxing jurisdictions are unable to receive revenue from the value increment would also be extended.

The Department of Revenue's costs for administering the bill will be absorbed within the agency's budget.

Long-Range Fiscal Implications