

Fiscal Estimate Narratives

DOR 3/23/2005

LRB Number	05-2054/1	Introduction Number	AB-156	Estimate Type	Original
Subject					
Allow counties with no cities or village in them to create tax incremental financing (TIF) districts					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, only cities and villages are allowed to create tax incremental finance (TIF) districts. A TIF district may be created, subject to territorial limits and procedural requirements, if at least 50% of the area in the TIF district is blighted, in need of rehabilitation, or is suitable for industrial or mixed-use development. Current law also permits towns, villages, cities, and counties to create environmental remediation tax incremental districts (ER-TID) to finance the remediation of environmental pollution.

Under the bill, the county board of a county with no villages or cities would be allowed to create a TIF district if the town board in which the proposed TIF district is located adopted a resolution approving the creation of the TIF district. The bill would apply only to Florence County and Menominee County.

Data are not available to estimate the extent to which county TIF districts would be used or their fiscal effects.

For each new or amended TID, the Department would review the TIF project plan, the required local resolutions, the district boundary descriptions, and parcel lists. The Department would also be required to annually determine the value of increments of an increased number of TIDs.

To the extent that counties use the power granted to them under the bill to create TIF districts, this bill would increase DOR administrative costs.

Long-Range Fiscal Implications