



**Fiscal Estimate Narratives**

**DOR 1/24/2006**

LRB Number <b>05-4113/1</b>	Introduction Number <b>AB-896</b>	Estimate Type <b>Original</b>
<b>Description</b> Expanding the maximum life and expenditure period for environmental remediation tax incremental financing districts		

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, the maximum life of an environmental remediation tax incremental financing (ER TIF) district is 16 years. Expenditures for eligible costs are allowed for 15 years.

Under the bill, the maximum life of an ER TIF district is extended to 27 years and the maximum expenditure period is extended to 20 years. The bill applies to existing and newly created ER TIF districts.

The bill may encourage the creation of additional ER TIF districts and extension of the period during which project costs are incurred. As a result, overlying taxing jurisdictions, such as school districts, county and technical college districts, may be required to forego the tax increment associated with the development within ER TIF districts for longer periods and for additional districts.

The bill would increase Department costs associated with monitoring the different requirements and time limits. An additional 1.0 FTE position would be required to administer the changes under the bill at an annual cost of \$57,300 for staff, printing, mailing, training, and taxpayer assistance.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 05-4113/1		<b>Introduction Number</b> AB-896	
<b>Description</b> Expanding the maximum life and expenditure period for environmental remediation tax incremental financing districts			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  An additional 500 hours of LTE work would be required to administer changes under the bill at a cost of \$8,200.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$57,300		
(FTE Position Changes)	(1.0 FTE)		
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$57,300</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR	57,300		
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$57,300		\$
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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