

### Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-0511/3</b>	<b>Introduction Number</b> <b>SB-83</b>
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**Subject**  
 Technical changes to the TIF (tax incremental financing) statutes

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes       No
- Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
  - 1.  Increase Costs      3.  Increase Revenue
  - Permissive  Mandatory       Permissive  Mandatory
  - 2.  Decrease Costs      4.  Decrease Revenue
  - Permissive  Mandatory       Permissive  Mandatory
- 5. Types of Local Government Units Affected
  - Towns       Village       Cities
  - Counties       Others
  - School Districts       WTCS Districts

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

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOR/ Milda Aksamitauskas (608) 261-5173	Blair Kruger (608) 266-1310	3/2/2005

**Fiscal Estimate Narratives**  
**DOR 3/3/2005**

LRB Number <b>05-0511/3</b>	Introduction Number <b>SB-83</b>	Estimate Type <b>Original</b>
<b>Subject</b> Technical changes to the TIF (tax incremental financing) statutes		

**Assumptions Used in Arriving at Fiscal Estimate**

The bill makes the following changes:

1. The 25% vacant land limit would not apply to mixed-use TIDs.
2. Only TIDs being created or amended to add territory to the district would be subject to the 12% limit on the TID share of the total equalized value of property within the city or village.
3. An amendment to a project plan that both adds and subtracts territory would count as a single amendment towards the allowable maximum of 4 amendments to the TID's boundaries.
4. A municipality would be allowed to extend the expenditure period of a TID without public hearings, plan review, and passage of a resolution.
5. A city would be allowed to subtract the value of the exempt city-owned property when redetermining the base value of a TID.
6. All TIDs would be able to extend expenditure periods to within 5 years of the termination of a TID.

**Local Fiscal Effect**

These amendments to the TIF law would give local officials more flexibility in creating and amending TIDs. The increased flexibility is expected to result in additional TIF activity and increase the number of TIF-related filings with the Department. Data are not available to estimate reliably the changes in property values and taxes or local government costs that may result from the changes.

**State Fiscal Effect**

The Department anticipates a substantial increase in workload due to the increased TIF activity under the bill. 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. The increase in the number of TIDs created or amended under the bill would significantly increase DOR costs. An additional 1 FTE position would be required to administer the changes under the bill at an annual cost of \$35,600 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     
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  Supplemental

<b>LRB Number</b> 05-0511/3		<b>Introduction Number</b> SB-83	
<b>Subject</b>			
Technical changes to the TIF (tax incremental financing) statutes			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<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	\$33,600	
	(FTE Position Changes)	(1.0 FTE)	
	State Operations - Other Costs	2,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$35,600</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS (20.556(1)(go))	35,600	
	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>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$35,600	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Milda Aksamitauskas (608) 261-5173		Blair Kruger (608) 266-1310	3/2/2005