

Fiscal Estimate - 2009 Session

Original Updated Corrected Supplemental

LRB Number 09-2111/1	Introduction Number AB-0174
-----------------------------	------------------------------------

Description
Authorizing sharing of tax increments by certain environmental remediation tax incremental districts

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 Permissive Mandatory
- 2. Decrease Costs Permissive Mandatory
- 3. Increase Revenue Permissive Mandatory
- 4. Decrease Revenue Permissive Mandatory

5. Types of Local Government Units Affected

- Towns Village Cities
- Counties Others
- School Districts 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	Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	4/3/2009

Fiscal Estimate Narratives

DNR 4/3/2009

LRB Number 09-2111/1	Introduction Number AB-0174	Estimate Type Original
Description Authorizing sharing of tax increments by certain environmental remediation tax incremental districts		

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary:

Environmental Remediation Tax Incremental Financing is a tool for local governments to pay for environmental remediation and economic development of brownfield properties. This bill would authorize local governments to share tax increments between environmental remediation tax incremental districts within their municipalities.

State Fiscal Estimate:

The ER-TIF process is generally self implementing in that the local governments who create the Tax Incremental Districts (TIDs) and prepare the plans, budgets, and other required administrative documents use their own staff and contractors who are paid by the local government. All project costs (environmental cleanup, demolition, etc) are undertaken by the local government or private developers working in partnership with the local government. The state agencies involved with ER-TIF (DNR and DOR) have limited roles. DNR only needs to review and approve technical reports associated with an environmental remediation project and this is work that the Remediation and Redevelopment Program does frequently with existing resources. The DNR does not expect any increase in submittals of reports for review as a result of this law.

Local Fiscal Estimate:

There would be a fiscal impact on those municipalities that would utilize this provision and other taxing jurisdictions. Under current law, when all the project costs incurred in a ER-TID have been paid through the increased property taxes (the increment) the ER-TID is closed and then all future property tax revenues go to the City, County, School District, etc. Under this bill, additional increment could go towards another underperforming ER-TID to cover those project costs. As a result, the other jurisdictions would not get that property tax revenue for however many more years it takes to pay the project cost on the underperforming ER-TID. Based on all the unknowns and variables involved, the local cost is indeterminate.

Long-Range Fiscal Implications

In the long term (as long as 23 years), the cities and the other jurisdictions will benefit from the increased revenues from property taxes on both redevelopment projects that would not have occurred without the ER-TID.

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-2111/1		Introduction Number AB-0174	
Description Authorizing sharing of tax increments by certain environmental remediation tax incremental districts			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	4/3/2009