

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>15-1066/1</b>	<b>Introduction Number</b> <b>SB-054</b>
<b>Description</b> Inclusion of vacant land within the boundaries of a tax incremental district and exclusion of tax-exempt city-owned property from the initial tax incremental base of a tax incremental district	
<b>Fiscal Effect</b>	
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> 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	
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<b>Date</b> 3/12/2015	

## Fiscal Estimate Narratives

DOR 3/12/2015

LRB Number	<b>15-1066/1</b>	Introduction Number	<b>SB-054</b>	Estimate Type	<b>Original</b>
<b>Description</b> Inclusion of vacant land within the boundaries of a tax incremental district and exclusion of tax-exempt city-owned property from the initial tax incremental base of a tax incremental district					

### Assumptions Used in Arriving at Fiscal Estimate

Current law specifies, with certain exceptions, that property standing vacant for seven consecutive years after adoption of the resolution to create a tax incremental district (TID) may not comprise more than 25 percent of the area in the TID. The restriction does not apply if the TID is suitable for either industrial sites or mixed use development and the municipality implements a project plan to promote industrial or mixed-use development. Current law defines "vacant property" as property where the fair market value of structural improvements on the parcel is less than the fair market value of the land. The definition excludes certain properties in Milwaukee County and property that is contaminated by environmental pollution.

This bill removes the restriction that vacant property may not comprise more than 25 percent of the area in a TID for TIDs created after the effective date of the bill.

### FISCAL EFFECT

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DOR does not audit and/or determine whether or not vacant property exceeds 25 percent of the area within a TID. Additionally, DOR does not require municipalities to provide any data relating to vacant property in TIDs. As such, it is not feasible for DOR to estimate the fiscal impact of the proposal due to lack of data. It is possible that the elimination of the rule may lead to additional parcels included in newly created TIDs and/or may increase the number of new TIDs in future years.

Administrative costs would be minimal and can be absorbed within the current budgetary resources.

### Long-Range Fiscal Implications