

Fiscal Estimate Narratives

DOR 2/27/2017

LRB Number	17-0763/2	Introduction Number	SB-051	Estimate Type	Corrected
Description technical changes to the tax incremental financing statutes					

Assumptions Used in Arriving at Fiscal Estimate

The bill makes several technical changes to the statutes governing tax incremental financing districts. Under current law, certain town property (non-municipal use) is included in a tax increment district's (TID) base value. The bill excludes all town property from a town TID's base value, consistent with how village and city property is considered under current law.

The bill changes the TID Increment Certification deadline to April 15 from May 15 under current law. The earlier date provides additional time for local assessors, property listers, and DOR to complete their work in time for Boards of Review meetings.

Current law requires municipalities to submit annually written pre-notification on project plan amendments after May 1 but before May 21 and another notification 60 days after project plan amendment adoption. The bill streamlines the notification requirement to 60 days after the plan amendment adoption.

Current law requires municipalities to submit annual TID reports. Under current law, municipalities may request a 60 day extension or an undefined extension. Current law also assesses a \$100/day fee for each TID when the report is past due. The bill caps the fee at \$6,000 and requires the Department to reduce shared revenue payments in situations when the assessment is not paid. The bill preserves the 60 day extension, but deletes the undefined extension. The first annual reports are due July 3, 2017.

The bill also adds mixed-use development as an eligible project cost for mixed-use TIDs and repeals a special provision for the City of Hayward since the related TID terminated in 2011.

The bill has no fiscal effect. The bill does not affect tax increments.

Long-Range Fiscal Implications