



2005 SENATE BILL 589

February 13, 2006 – Introduced by Senators ERPENBACH and SCHULTZ, cosponsored by Representatives DAVIS and FREESE. Referred to Committee on Job Creation, Economic Development and Consumer Affairs.

1 **AN ACT** *to amend* 66.1105 (6) (e) 1. b.; and *to create* 66.1105 (6) (e) 1. e. of the
2 statutes; **relating to:** authorizing the city of Monroe to allocate positive tax
3 increments from one or more of its tax incremental financing districts to
4 another such district created by the city.

Analysis by the Legislative Reference Bureau

Under the current tax incremental financing program, a city or village may create a tax incremental district (TID) in part of its territory to foster development if at least 50 percent of the area to be included in the TID is blighted, in need of rehabilitation or conservation, suitable for industrial sites, or suitable for mixed-use development.

Also under current law, once a TID has been created, the Department of Revenue calculates the “tax increment base value” of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a “value increment” is created and that portion of taxes collected on the value increment in excess of the base value is called a “tax increment.” The tax increment is placed in a special fund that may be used only to pay back the project costs of the TID.

The project costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. Generally under current

