

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # - 3660/1

INTRODUCTION # AB 508

Admin. Rule #

Subject

Expand Time Period for Tax Increment Sharing Made by a TID Created by the City of Glendale

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs - May be Possible to Absorb Within Agency's Budget Yes No
 Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others The City of Glendale
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

Under current law a tax incremental district (TID) must terminate when it has existed a maximum of 23 years or when its project costs have been paid, whichever occurs first. However, under an exception to this rule, a TID that was created before October 1, 1995 and whose project costs have been paid may be amended to allow transfers of tax increments to another TID, also created before October 1, 1995. The transfers may occur up to 10 years but in no case may either donor or recipient TID exist longer than its maximum life of 27 years.

Another exception is granted to 3 cities: Kenosha, Oshkosh and Glendale. TIDs in these cities, regardless of when they were created, may transfer tax increments to another TID that is adversely affected by environmental contamination. Transfers in Kenosha may occur up to 30 years after the last expenditure is made in the donor TID but no later than January 1, 2016. Transfers in Oshkosh and Glendale may occur for 16 to 20 years after the last expenditure, depending on when the donor TID was created – 16 years if the TID was created after October 1, 1995, and 20 years if the TID was created before October 1, 1995. The transfers may not extend beyond January 1, 2016, in Oshkosh and beyond January 1, 2002, in Glendale.

Under the bill, such transfers may occur until January 1, 2016 in the City of Glendale. Thus, TIDs in Glendale would have more time to transfer increments to another TID. The extension of the sunset date by 14 years would, for example, allow a TID that had paid its project costs in 1999 the full 16 years to transfer increments compared to 3 years allowed under the current sunset date.

To the extent that donor TIDs would exist longer as a result of the bill, taxing jurisdictions overlying the City of Glendale (the Glendale-River Hills and/or Maple Dale-Indian Hill School Districts, and Nicolet Union High School District, Milwaukee County, Milwaukee-Area Technical College) would forego the value increments of donor TIDs for 14 additional years. As a result, their levies would be spread over a smaller tax base than would be the case under current law. On the other hand, the recipient TID would have 14 additional years to receive increments with which to pay off its project costs, thereby reducing the liability of the City of Glendale for any unpaid project costs at the time the TID terminates.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Rebecca Boldt, (608) 266-6785	Yeang-Eng Braun <i>Yeang Eng Braun</i> (608) 266-2700	10/20/99

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999 Session

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I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

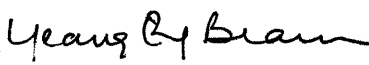
II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
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	\$ _____	\$ See text of fiscal note.
NET CHANGE IN REVENUES	\$ _____	\$ _____

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