

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL                       UPDATED
- CORRECTED                       SUPPLEMENTAL

**LRB #** 99-2292/1  
**INTRODUCTION #** AB 559  
**Admin. Rule #**

**Subject**  
 Limitations on the Uses of Tax Incremental Financing

**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 (see text below)

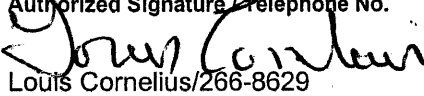
|  |   |   |
|--|---|---|
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected:<br><input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Villages <input checked="" type="checkbox"/> Cities<br><input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others _____<br><input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts |
| 2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |   |

**Fund Sources Affected**                      **Affected Ch. 20 Appropriations**

GPR     FED     PRO     PRS     SEG     SEG-S

**Assumptions Used in Arriving at Fiscal Estimate:**  
 The bill would place stricter limitations on the ability of a city or village to establish a tax incremental district for the purpose of promoting industrial development. According to the 1995-98 Report on Tax Incremental Financing prepared by the Wisconsin Department of Commerce, approximately two-thirds of the tax incremental districts that were established from 1995 to 1998 involved industrial development. Therefore, it can be assumed that the limitations to tax incremental financing that are prescribed in the bill will likely lead to a significant reduction in the establishment of tax incremental districts. Specific effects on local government costs/revenues cannot be accurately identified.

**Long-Range Fiscal Implications:**

|  |   |   |
|--|---|---|
| <b>Prepared By: / Phone # / Agency Name</b><br>Department of Commerce<br>Paul Neumann/267-9382 | <b>Authorized Signature / Telephone No.</b><br><br>Louis Cornelius/266-8629 | <b>Date</b> 11/1/99<br>October 28, 1999 |
|--|---|---|