

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-4166/1	Introduction Number SB-461
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Subject

Allow counties with no cities or villages in them to create tax incremental financing (TIF) districts

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOR/ Daniel Huegel (608) 266-5705	Authorized Signature Dennis Collier (608) 266-5773	Date 2/19/2004
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Fiscal Estimate Narratives

DOR 2/19/2004

LRB Number	03-4166/1	Introduction Number	SB-461	Estimate Type	Original
Subject					
Allow counties with no cities or villages in them to create tax incremental financing (TIF) districts					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, only cities and villages may create a tax incremental finance (TIF) district. A TIF district may be created, subject to territorial limits and procedural requirements, if at least 50% of the area in the TIF district is blighted, in need of rehabilitation, or is suitable for industrial development. Current law also permits towns, villages, cities, and counties to create an environmental remediation tax incremental districts (ER-TID), which are restricted to financing the remediation of environmental pollution.

Under the bill, the county board of a county with no villages or cities would be allowed to create a TIF district. Before such a TIF district could be created, the town board in which the proposed TIF district is located would need to adopt a resolution approving the creation of the TIF district. There are only two counties in Wisconsin that have no villages and cities: Florence and Menominee. The county boards of these two counties would therefore have the power to create TIF districts, subject to approval by the underlying town.

When a TIF district is created, the Department of Revenue (DOR) reviews the project plan; the resolutions approving the project plan, district creation, and joint review board review; district boundaries; and maps, parcel lists, proof of timely notices to affected property owners and other taxing jurisdictions; and public notices and minutes of the required public hearings. After such review, DOR determines the equalized value of each class of property within the TIF district in order to certify the district's value base.

To the extent that counties use the power granted to them under the bill to create TIF districts, this bill will increase DOR administrative costs. It is not possible to reasonably estimate the number of TIF districts that would be created under this bill.

Long-Range Fiscal Implications