

Fiscal Estimate Narratives
DOR 3/16/2004

LRB Number	03-4193/1	Introduction Number	AB-888	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