

Fiscal Estimate Narratives

DOR 2/15/2006

LRB Number	05-4495/1	Introduction Number	AB-1015	Estimate Type	Original
Description Authorizing a city or village to simultaneously create a new tax incremental financing district and subtract territory from an existing tax incremental district					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a planning commission may adopt an amendment to a tax incremental financing (TIF) district project plan. The amendment requires approval by the common council or village board and must provide the same findings as is required for the creation of a tax incremental financing (TIF) district. Also, before a new TIF district is created or amended, the city or village must adopt a resolution containing a finding that the equalized value of taxable property of the proposed TIF district plus the value increment of all existing TIF districts does not exceed 12 percent of the total equalized value of taxable property in the city or village, unless the amendment subtracts property from the TIF district.

Under the bill, a city or village may simultaneously create a new TIF district and subtract territory from an existing TIF district without adopting a resolution containing the 12 percent test if:

(1) the city or village submits an application for a new TIF district and includes a copy of its amendment to the project plan that subtracts territory;

(2) the Department of Revenue receives two certified appraisals of fair market value of the property in the newly proposed TIF district and the property to be subtracted from the existing TIF district;

(3) the certified appraisals demonstrate that the 12 percent test is met.

The bill further provides that the creation of a new TIF district together with the subtraction of territory from an existing TIF district can occur only once in the city or village, unless the TIF district previously created in this manner has terminated.

The Department of Revenue does not have data to estimate the local fiscal effect of this bill.

There is no state fiscal effect.

Long-Range Fiscal Implications