

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2231/1	Introduction Number AB-147
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Subject
 Technical changes to the TIF (tax incremental financing) statutes

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input checked="" type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Towns Village Cities
 Counties Others
 School Districts WTCS Districts

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/ Milda Aksamitauskas (608) 261-5173	Authorized Signature Blair Kruger (608) 266-1310	Date 3/15/2005
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Fiscal Estimate Narratives

DOR 3/15/2005

LRB Number	05-2231/1	Introduction Number	AB-147	Estimate Type	Original
Subject					
Technical changes to the TIF (tax incremental financing) statutes					

Assumptions Used in Arriving at Fiscal Estimate

The bill makes the following changes:

1. The 25% vacant land limit would not apply to mixed-use TIDs.
2. Only TIDs being created or amended to add territory to the district would be subject to the 12% limit on the TID share of the total equalized value of property within the city or village.
3. An amendment to a project plan that both adds and subtracts territory would count as a single amendment towards the allowable maximum of 4 amendments to the TID's boundaries.
4. A municipality would be allowed to extend the expenditure period of a TID without public hearings, plan review, and passage of a resolution.
5. A city would be allowed to subtract the value of the exempt city-owned property when redetermining the base value of a TID.
6. All TIDs would be able to extend expenditure periods to within 5 years of the termination of a TID.

Local Fiscal Effect

These amendments to the TIF law would give local officials more flexibility in creating and amending TIDs. The increased flexibility is expected to result in additional TIF activity and increase the number of TIF-related filings with the Department. Data are not available to estimate reliably the changes in property values and taxes or local government costs that may result from the changes.

State Fiscal Effect

The Department anticipates a substantial increase in workload due to the increased TIF activity under the bill. For each new or amended TID, the Department would review the TIF project plan, the required local resolutions, the district boundary descriptions, and parcel lists. The Department would also be required to annually determine the value of increments of an increased number of TIDs. The increase in the number of TIDs created or amended under the bill would significantly increase DOR costs. An additional 1 FTE position would be required to administer the changes under the bill at an annual cost of \$35,600 for staff, printing, mailing, training, and taxpayer assistance.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Technical changes to the TIF (tax incremental financing) statutes			
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 funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$33,600	
(FTE Position Changes)		(1.0 FTE)	
State Operations - Other Costs		2,000	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$35,600	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS (20.566)		35,600	
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, ets.)			
		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		\$35,600	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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