



## Fiscal Estimate Narratives

DOR 5/9/2005

LRB Number 05-1111/1	Introduction Number AB-366	Estimate Type Original
<b>Subject</b> Authorize the creation of neighborhood improvement districts		

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, a municipality can create a business improvement district (BID) at the request of owners of taxable property within the proposed district. A BID consists of contiguous taxable properties. A BID provides for the development, redevelopment, maintenance, operation, and promotion of its area. A BID is generally financed by special assessments on property in the district. However, BID special assessments may not be charged to tax exempt property and property exclusively used for residential purposes. A BID is administered by a municipal-appointed 5-member board.

Under the bill, municipalities could create a neighborhood improvement district (NID) at the request of owners of property within the proposed district. A NID could consist of an area of nearby parcels, which need not be contiguous, of which some are taxable and used for residential purposes. A NID would provide for the development, redevelopment, maintenance, operation, and promotion of its area. A NID would generally be financed by special assessments on taxable property in the district. However, NID special assessments could not be charged to property exclusively used for less than 8 residential dwelling units. A NID would be administered by a municipal-appointed 5-member board.

Since any costs relating to the NID are expected to be paid through special assessments on affected property, the presence of NIDs should have no effect on local property tax levies.

### Long-Range Fiscal Implications