

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>15-3140/1</b>	<b>Introduction Number</b> <b>AB-0344</b>	
<b>Description</b> Lengthening the time during which tax increments may be allocated and expenditures for project costs may be made for Tax Incremental District Number One in the village of Weston		
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <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 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

DOR 9/24/2015

LRB Number	15-3140/1	Introduction Number	AB-0344	Estimate Type	Original
<b>Description</b> Lengthening the time during which tax increments may be allocated and expenditures for project costs may be made for Tax Incremental District Number One in the village of Weston					

### Assumptions Used in Arriving at Fiscal Estimate

Currently, there are two active tax incremental districts (TIDs) in the village of Weston: TID number 1 and 2.

The maximum life for TID Number 1 (an industrial TID), created in 1998, is 23 years and the TID must terminate in 2021 under current law. Under the bill, the village may extend TID Number 1's life by up to 10 years, or until 2031. TID Number 1 houses an industrial park and a commercial segment that includes retail stores, a hotel, a hospital complex, and other businesses. The district's project plan submitted to DOR in 1998 shows that the TID's total project cost was estimated to be approximately \$47.3 million. As the projections provided in the document and the Department of Revenue (DOR)'s data indicate, TID Number 1's tax revenues surpassed the projected amounts from 2004 through 2011. For three years from 2010 through 2012, the TID experienced decline in the value increment, but since 2013, the value increment has been growing by more than 6 percent annually. However, during the period between 2012 and 2014, the tax increments were still below the projected amounts.

The village of Weston created TID number 2 in 2004, and as a blighted TID, it should terminate after 27 years or may extend the life up to 31 years.

The equalized value of the village's value increment has been above 12 percent of the village's total equalized value since 2006. As of 2015, the total value increment accounts for approximately 20.6 percent of the total equalized value in Weston, and as such, the village is not allowed to create a new TID or amend existing project plans under current law.

The bill will allow TID Number 1 to have more time to pay off the debt. The exemption from the 12 percent limit and the extension of the period during which the TID may incur expenditures may allow the TID to make financial and other necessary adjustments. Under the bill, the other taxing jurisdictions may potentially have to wait for up to 10 additional years until they begin to receive property tax revenues from the territory currently under TID Number 1.

The fiscal impact of the bill will be minimal. The administrative costs can be absorbed within the current budgetary resources.

### Long-Range Fiscal Implications