

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-2033/1	Introduction Number AB-0135
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Description
 Inclusion of vacant land within the boundaries of a tax incremental district and exclusion of tax-exempt city-owned property from the initial tax incremental base of a tax incremental district

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

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

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts
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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	Authorized Signature	Date
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Fiscal Estimate Narratives

DOR 3/30/2015

LRB Number	15-2033/1	Introduction Number	AB-0135	Estimate Type	Original
Description Inclusion of vacant land within the boundaries of a tax incremental district and exclusion of tax-exempt city-owned property from the initial tax incremental base of a tax incremental district					

Assumptions Used in Arriving at Fiscal Estimate

Current law specifies, with certain exceptions, that property standing vacant for seven consecutive years after adoption of the resolution to create a tax incremental district (TID) may not comprise more than 25 percent of the area in the TID. The restriction does not apply if the TID is suitable for either industrial sites or mixed use development and the municipality implements a project plan to promote industrial or mixed-use development. Current law defines "vacant property" as property where the fair market value of structural improvements on the parcel is less than the fair market value of the land. The definition excludes certain properties in Milwaukee County and property that is contaminated by environmental pollution.

This bill removes the restriction that vacant property may not comprise more than 25 percent of the area in a TID for TIDs created after the effective date of the bill.

FISCAL EFFECT

DOR does not audit and/or determine whether or not vacant property exceeds 25 percent of the area within a TID. Additionally, DOR does not require municipalities to provide any data relating to vacant property in TIDs. As such, it is not feasible for DOR to estimate the fiscal impact of the proposal due to lack of data. It is possible that the elimination of the rule may lead to additional parcels included in newly created TIDs and/or may increase the number of new TIDs in future years.

Administrative costs would be minimal and can be absorbed within the current budgetary resources.

Long-Range Fiscal Implications