

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-4723/1	Introduction Number AB-0940
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Description
 Calculating the allowable number of amendments that a municipality may make to a tax incremental district's project plan and creating an exception to certain requirements in the amendment of such a district's plan

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input checked="" type="checkbox"/> Increase Costs <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase 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 type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

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	

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Fiscal Estimate Narratives

DOR 2/24/2016

LRB Number	15-4723/1	Introduction Number	AB-0940	Estimate Type	Original
Description Calculating the allowable number of amendments that a municipality may make to a tax incremental district's project plan and creating an exception to certain requirements in the amendment of such a district's plan					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a planning commission may amend a tax incremental financing district's (TID) project plan to add or subtract territory from a TID up to four times during the TID's life. A single amendment that both adds and subtracts territory is counted as one amendment. In addition, the equalized value of taxable property of a TID that is newly created or amended plus the value increment of all existing TIDs may not exceed 12 percent of the total equalized value in the municipality (the "12 percent test"). However, a municipality may create a new TID without meeting the 12 percent test, only if the municipality simultaneously subtracts from an existing TID some territory that is sufficient enough to bring the percentage down so that it will be equal to or below 12 percent when the new TID is created.

Under the bill, subtracting territory does not count towards the maximum number of amendments, and an amendment that only subtracts territory from a TID is not subject to the 12 percent test.

The bill in general allows a municipality whose existing TIDs' total increment value exceeds, or is close to, 12 percent of the municipality's total equalized value to adopt an amendment to subtract territory from an existing TID with fewer restrictions and requirements. The Department of Revenue (DOR) anticipates little to no fiscal impact on local governments. DOR may incur administrative costs of approximately \$11,000 for updating information and modifying software, and the costs could be absorbed within the current budgetary resources.

Long-Range Fiscal Implications