

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-3264/1	Introduction Number AB-0306
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Description
 tax increment value reporting errors and property tax reimbursement

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 type="checkbox"/> Increase Costs <input 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 type="checkbox"/> Towns <input type="checkbox"/> Village <input 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	

Agency/Prepared By DOR/ Craig Steinfeldt (608) 266-5705	Authorized Signature Jamie Adams (608) 266-6785	Date 6/21/2019
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Fiscal Estimate Narratives

DOR 6/21/2019

LRB Number	19-3264/1	Introduction Number	AB-0306	Estimate Type	Original
Description tax increment value reporting errors and property tax reimbursement					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, value increment is created when the tax incremental district (TID) value exceeds the base value. The tax increment collections are placed in a special TID fund that may only be used to cover specific project costs. Under the bill, for 2018 property values, if a city or village erroneously reports a higher value increment for its TIDs by an aggregate amount of at least \$50 million, the city or village may transfer the excess tax increment collections to the city or villages general fund to reimburse taxpayers for the higher property tax rates resulting from the error.

The City of Verona originally reported incorrect 2018 values (locally assessed) of \$54,375,000 for TID 8 and \$45,138,000 for TID 6; the correct values should have been \$5,426,700 and \$39,828,900 respectively. The error resulted in an aggregate value reduction of \$56,261,600 (\$49,957,900 for TID 8 and \$6,303,700 for TID 6). Under the bill, the City of Verona can transfer an estimated \$1,219,100 million to reimburse taxpayers for the reporting error.

The bill does not impact the revenue of other TIDs.

Long-Range Fiscal Implications