## Fiscal Estimate - 2019 Session

$\boxtimes$	Original		Updated	Correc	cted	Suppleme	ental
LRE	3 Number	19-4317/3		Introduct	ion Number	AB-0859	
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Fisca	al Effect						
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Loca	No Local Go Indeterminat 1. Increas Permiss 2. Decrea	e Costs sive <mark>☐</mark> Mandato se Costs	3. Increas ory Permise 4. Decrea	sive Mandatory	5.Types of Loca Units Affected Towns Counties School Districts	I Government  ☑ Village ☐ Others ☐ WTCS Districts	⊠Cities
Fund Sources Affected Affected Ch. 20 Appropriations				S			
GPR FED PRO PRS SEG SEGS							
Age	ncy/Prepared	Ву		Authorized Signa	ature		Date
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# Fiscal Estimate Narratives DOR 2/12/2020

LRB Number	19-4317/3	Introduction Number	AB-0859	Estimate Type	Original
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#### Description

making changes related to mixed-use tax incremental financing districts, increasing the amount of time a city or village may extend the life of a tax incremental district to improve its affordable and workforce housing, allowing a reduction in the amount of certain impact fees, and authorizing local units of government to implement workforce housing initiatives

### Assumptions Used in Arriving at Fiscal Estimate

The bill authorizes workforce housing initiatives and makes changes that affect tax incremental districts (TID)and state housing grants. The bill defines workforce housing, changes the definition of a mixed-use development TID, increases the maximum years a city or village may extend the life of a TID to improve its affordable and workforce housing, requires a TID's project plan to contain alternative economic projections, and changes the methods of imposing certain impact fees.

Current law allows a mixed-use development TID to contain 35 percent, by area, of newly platted residential use real property. Under the bill, a mixed-use development TID could contain 60 percent, by area, if the newly platted residential use that exceeds 35 percent is used solely for workforce housing. Allowing a higher residential use in a TID could result in higher costs for overlying taxing jurisdictions with an indeterminate fiscal effect.

After paying for aggregate project costs, current law allows a village or city to improve affordable housing by extending the life of TID by 1 year. Under the bill, a city or village may extend a TID life for 3 years. On average, since 2010, approximately 6 TIDs per-year use the affordable housing extension. In 2019, 19 TIDs used the affordable housing extension. Based on 2018 TID annual report data, the 19 TIDs generated approximately \$6.8 million in increment revenue. Under the bill, an additional \$13.6 million could be used for workforce housing. By extending the TID life, the bill shifts funding from overlying taxing jurisdictions by an additional two years.

The department estimates one-time administrative costs at \$20,000 for software changes; the additional costs cannot be absorbed within the agency's budget.

The bill does not affect increment revenues for existing TID districts.

Long-Range Fiscal Implications

## **Fiscal Estimate Worksheet - 2019 Session**

Detailed Estimate of Annual Fiscal Effect

☑ Original	Updated	Corrected	Supplem	ental
LRB Number 19-4	4317/3	Introduction Numb	oer <b>AB-085</b>	9
city or village may extend	the life of a tax increme ion in the amount of ce	ental financing districts, increa ental district to improve its affo ertain impact fees, and authori atives	ordable and workf	orce
I. One-time Costs or Rev annualized fiscal effect): \$20,000		te and/or Local Government	t (do not include	in
II. Annualized Costs:		Annualized Fi	scal Impact on f	unde from:
II. Allitualized Costs.		Increased Costs		ased Costs
A. State Costs by Catego	Drv			
State Operations - Sala		\$		\$
(FTE Position Changes				
State Operations - Other	er Costs			
Local Assistance				
Aids to Individuals or O	rganizations			
TOTAL State Costs	by Category	\$		\$
B. State Costs by Source	e of Funds		ett pata kirking yang pakat minintak dipulah kiripat patat patat pata nasa kiripat patat patat patat patat pat	
GPR	Associated and the second seco			
FED				
PRO/PRS				10 mg 10
SEG/SEG-S				
III. State Revenues - Cor (e.g., tax increase, decre		n proposal will increase or d s.)	ecrease state re	venues
		Increased Rev	Dec	reased Rev
GPR Taxes		\$		\$
GPR Earned				and Constitution and also decreased a decreated by the analysis of the constitution of
FED				
PRO/PRS				
SEG/SEG-S				
TOTAL State Rever		\$		\$
	NET ANNUA	LIZED FISCAL IMPACT	-	
		State		
NET CHANGE IN COSTS		\$	\$	
NET CHANGE IN REVENUE		\$	\$	

Agency/Prepared By	Authorized Signature	Date
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