

Fiscal Estimate Narratives

DOR 6/14/2021

LRB Number	21-3597/1	Introduction Number	AB-0377	Estimate Type	Original
Description extending the life and tax increment allocation and project cost expenditure periods for Tax Incremental District Number 1 in the village of Marathon City					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, DOR authorizes the allocation of tax increments until the TID terminates or, generally, 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created. Also, under current law, a city or village may not generally make expenditures for project costs later than five years before the TID's unextended termination date.

The bill extends the life and periods during which tax increments may be allocated and expenditures for project costs may be made for tax incremental district (TID) number 1 in the village of Marathon City. Under the bill, tax increments maybe allocated until January 3, 2035, which is 33 years after the TIDs creation and 10 years beyond the current maximum life of January 3, 2025. Project costs are extended through January 3, 2023 from the current end period of January 3, 2020.

For 2020, TID 1 had a current value of \$37,314,700 and an increment value of \$29,953,300. Since 2016, TID 1 has averaged 13.21% in annual value growth, which resulted in higher tax increment revenues of \$520,000 in 2019 from \$303,300 in 2016. For 2019, TID 1 had an ending fund balance of negative \$311,700.

Long-Range Fiscal Implications