

Fiscal Estimate - 2021 Session

Original Updated Corrected Supplemental

LRB Number 21-5171/1	Introduction Number AB-0913
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Description
 extending the time during which tax increments may be allocated and expenditures for project costs may be made, extending the maximum life, and increasing the number of allowed amendments to modify the boundaries for Tax Incremental District Number 5 in the city of Middleton

Fiscal Effect

State:

No State Fiscal Effect

Indeterminate

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

Local:

No Local Government Costs

Indeterminate

1. <input checked="" type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Towns Village Cities
 Counties Others
 School Districts WTCS Districts

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 2/4/2022

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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 was created depending on the type of TID and the year it was created. A city or village may not generally make expenditures for project costs later than five years before the TID's unextended termination date.

Under the bill, tax increments may be allocated for tax increment district (TID) number 5 in the City of Middleton until August 4, 2046, which is 37 years after the TID's creation. The expenditures for project costs may be made up to 32 years after the TID as created, through August 4, 2041, and the maximum life is extended by 10 years to August 4, 2046. The bill also increases the number of allowed amendments to modify the boundaries of TID number 5 from four to seven.

Middleton TID number 5 has a base year of 2009 and a current law maximum life date of August 4, 2036, with project costs ending in 2031. Middleton TID number 5 had 2021 current value of \$214,700,500 and a 2021 increment value of \$125,035,000. The 2021 current value and increment value increased from \$171,362,200 and \$81,696,700 in 2020 and \$159,954,500 and \$70,289,00 in 2019. For 2020, TID number 5 had an ending fund balance of \$-990,605. TID number 5 had total revenue of \$11,205,527, of that amount \$7,055,000 was from debt proceeds and \$2,626,362 was from the sale of property. Tax increment revenue for 2020 was \$1,372,090 or 12 percent of the total. Tax increment revenue in 2020 increased from \$831,801 and \$813,851 in 2019 and 2018 respectively.

The department can absorb administrative costs of \$25,600 for computer programming changes.

Long-Range Fiscal Implications