

Fiscal Estimate Narratives

DOR 1/2/2024

LRB Number	23-5275/1	Introduction Number	SB-0825	Estimate Type	Original
Description extension of tax incremental district lifespan for purposes of housing stock improvement					

Assumptions Used in Arriving at Fiscal Estimate

The bill extends the maximum length of a tax increment district (TID) life extension for housing stock improvement from one year to three years. For any extension of more than one year, the other taxing jurisdictions must approve the extension. Under current law, a city or village is required to use 75 percent of the tax increments received during the extension period to benefit affordable housing in the city or village and 25 percent to otherwise improve the city's or village's housing stock.

The bill would have an indeterminate fiscal effect on tax increment districts; the department does not have information on the number of TIDs that may choose a housing stock extension. For TIDs with approved extensions, the bill would result in additional revenues and expenditures.

The department does not have any administrative costs.

Long-Range Fiscal Implications