

Fiscal Estimate Narratives

DOR 2/15/2006

LRB Number	05-4590/1	Introduction Number	SB-589	Estimate Type	Original
Description Authorizing the city of Monroe to allocate positive tax increments from one or more of its tax incremental financing districts to another such district created by the city					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, cities, villages, and certain towns may allocate tax increments from one tax incremental financing (TIF) district to another TIF district if both the donor and recipient districts are within the same overlying jurisdictions and if either of the following applies:

- 1) The donor and recipient TIF districts have been created before October 1, 1995, and the donor is able to demonstrate that it has sufficient revenues to pay for all project costs that have been incurred and sufficient surplus revenue to pay for some of the eligible costs of the recipient TIF district; or
- 2) The recipient TIF district has project costs used to create or provide or rehabilitate low-cost housing or remediate environmental contamination or was created as a blight or rehabilitation TIF district; and the donor has first satisfied all its current-year debt service and project cost obligations.

Under the bill, the first method above for sharing tax increments is expanded for the City of Monroe to include a recipient district created before October 1, 1996, and a donor district created before October 1, 2003.

As a result of the bill, the life of the donor TIF district may be extended while the recipient district may be able to pay off costs faster and thus terminate earlier than would otherwise occur.

There is no state fiscal effect.

Long-Range Fiscal Implications