

Fiscal Estimate Narratives

DOR 1/6/2017

LRB Number	17-1313/1	Introduction Number	SB-001	Estimate Type	Original
Description Changing the 12 percent rule regarding the total value of taxable property included in the creation of, or amendment to, a tax incremental financing district in the village of Oostburg					

Assumptions Used in Arriving at Fiscal Estimate

Wis. Stat. 66.1105(4)(gm)4.c. of the Tax Increment Law generally prohibits a municipal government from creating an additional tax incremental district (TID) if the taxable value of the new district plus the value increment of existing districts exceeds 12 percent of the municipality's total equalized value.

The bill creates a new exception to the 12 percent limit under Wis. Stats. 66.1105(17) by allowing the Village of Oostburg a 15 percent limit for the creation of tax increment district 3.

The Village of Oostburg currently has two tax increment districts with a total 2016 value increment of \$25,154,500. Based on 2016 equalized values of \$194,785,000, Oostburg's value increment is 12.91 percent. Under the bill, Oostburg could have a total increment value + taxable value of new district of \$29,217,750, an increase of \$4,063,250 from the current limitation, allowing the municipality to create one additional district. The Department of Revenue would absorb the minimal administrative costs under the bill within existing budgets.

The bill does not impact the increment collections of existing TIDs.

Long-Range Fiscal Implications