

### Fiscal Estimate - 2017 Session

Original
  Updated
  Corrected
  Supplemental

<b>LRB Number</b> 17-5464/1		<b>Introduction Number</b> SB-809	
<b>Description</b> lengthening the time during which tax increments may be allocated and expenditures for project costs may be made and extending the maximum life for Tax Incremental Districts Number One and Four in the village of Caledonia			
<b>Fiscal Effect</b>  <b>State:</b> <input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> 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			
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs      3. <input checked="" type="checkbox"/> Increase Revenue <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 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts			
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

DOR 2/19/2018

LRB Number	<b>17-5464/1</b>	Introduction Number	<b>SB-809</b>	Estimate Type	<b>Original</b>
<b>Description</b> lengthening the time during which tax increments may be allocated and expenditures for project costs may be made and extending the maximum life for Tax Incremental Districts Number One and Four in the village of Caledonia					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, a tax incremental district (TID) generally has a maximum life of 20 years, 23 years, or 27 years depending on factors such as TID type and creation date. Generally, no expenditures may be made later than 5 years before the unextended termination date.

Under the bill, TID 1 and TID 4 in the Village of Caledonia could allocate positive tax increments for 37 and 30 years, respectively. Project cost expenditures for TID 1 may be made no later than 32 years after the district is created through 2039. Project cost expenditures for TID 4 may be made no later than 25 years after the district is created through 2039.

Caledonia TID 1 was created as a mixed-use TID in 2007 and has a 20 year life. The original project plan had estimated costs (including financing) of \$89.8 million. TID 1 was amended in 2015 to both eliminate and add territory with estimated total expenditures of \$8.1 million by 2027. The 2016 TID Annual Report (TIDAR) showed total revenue of \$688, which includes \$0 of tax increment revenue, and total expenditures of \$12,938. TID 4 had an ending fund balance of -\$9,546 with stated future costs of \$13.8 million. TID 1 had a 2015 total value of \$4.4 million and an increment value of -\$3.9 million. More recently, TID 1 had a 2017 total value of \$7.1 million and an increment value of \$5.3 million. The department estimates the TID 1 2018 tax increment revenue at \$111,900.

Caledonia TID 4 was created as a mixed-use TID in 2014, and has a 20 year life. The TID 4 project plan had estimated project costs (including financing) of \$33 million. TID 4 was amended in 2015 to add territory with estimated project costs of \$38.1 million. The 2016 TIDAR showed a total revenue of \$10.4 million, which includes \$17,715 of tax increment revenues, and total expenditures of \$15.5 million. The ending TID fund balance was \$6.6 million with stated future costs of \$75.3 million. TID 4 had a 2015 total value of \$9.0 million and an increment value of \$630,000. More recently, TID 4 had a 2017 total value of \$24.8 million and an increment value of \$9.3 million. The department estimates the TID 4 2018 tax increment revenue at approximately \$198,000.

The bill allows the Village of Caledonia to further invest in the both TIDs by postponing the TID termination and expenditure dates. Overlying tax jurisdictions will not benefit from the TID investments with lower tax rates until the two TIDs terminate.

The bill has no state fiscal impact.

### Long-Range Fiscal Implications