



2017 ASSEMBLY BILL 291

May 1, 2017 - Introduced by Representatives HUTTON, KOOYENGA and MACCO, cosponsored by Senators VUKMIR and FEYEN. Referred to Committee on Ways and Means.

1 **AN ACT** *to amend* 66.1105 (2) (f) 1. n. of the statutes; **relating to:** project costs
2 for tax incremental districts incurred for territory located within an adjacent
3 city, village, or town.

Analysis by the Legislative Reference Bureau

This bill allows the project costs of a tax incremental district (TID) to include an expenditure incurred for territory that is within a city, village, or town that is adjacent to the city or village that created the TID, but only if the territory is within one-half mile of the boundaries of the TID and the governing body of the adjacent city, village, or town adopts a resolution expressing consent.

Under the current tax incremental financing program, a city or village may create a TID in part of its territory to foster development. Once a TID has been created, the Department of Revenue calculates the “tax incremental base” value of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a “value increment” is created. That portion of the property taxes collected from the TID that is attributable to the value increment is called a “tax increment.” The tax increment is placed in a special fund that may be used only to pay back the project costs of the TID.

The project costs of a TID, which are initially incurred by the creating city or village, and generally expended within the TID, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. Project costs specifically do not include the cost of

