

# Wisconsin At A Glance



## Tax Incremental Districts (TIDs), January 1, 2000, to January 1, 2005

TIDs are a tool that Wisconsin cities, villages, and, to a lesser extent, towns (municipalities) can use to finance economic development projects. When a municipality designates a part of its territory as a TID, the additional property taxes generated by new development in that territory—including the additional property taxes that would ordinarily be received by the county, school district, technical college district, and other taxing jurisdictions that overlie the territory—are set aside to repay the municipality for certain costs that it incurs to encourage the development to happen (such as the costs of installing streets and sewers). After those costs are repaid, the TID designation is lifted and the additional property taxes are apportioned among the municipality and other taxing jurisdictions in the regular way.

Wisconsin law places various limitations and conditions on the use of TIDs. For example: a municipality cannot create or alter a TID without the approval of a board appointed by the taxing jurisdictions that will be affected; only some of the costs that the municipality incurs are eligible for repayment; no property taxes are set aside to repay the municipality if new development in a TID is insufficient to generate additional property taxes; and a TID must terminate after a certain number of years even if it has not fully repaid the municipality's costs.

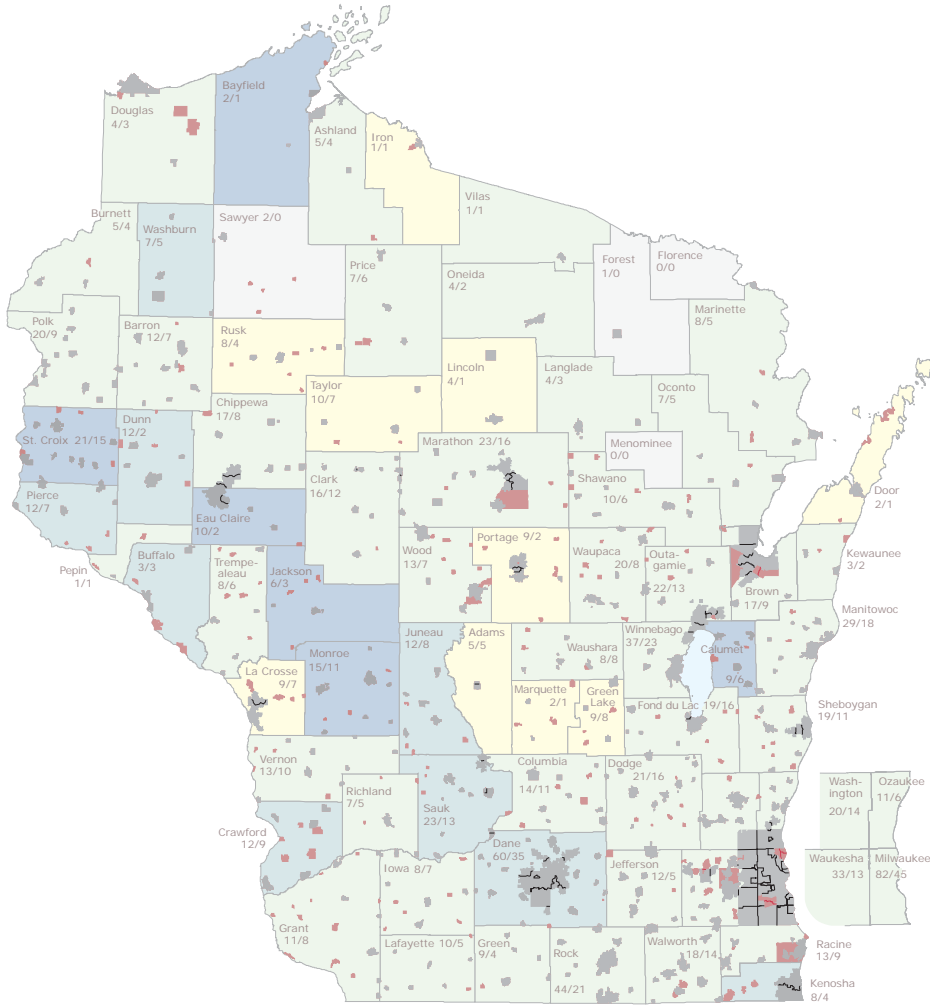
In 2004, Wisconsin TIDs contained 14.5 billion dollars of taxable property value. The five counties with the highest populations—Milwaukee, Dane, Waukesha, Brown, and Racine—accounted for almost half of this value, and TIDs tended to contain more taxable property value in counties with higher populations than in counties with lower populations. The highest amount of taxable property value in TIDs in a single county was 2.2 billion dollars (Milwaukee), the lowest was 1.3 million dollars (Forest), and the median was 61.4 million dollars (the average of the amounts in Green and Crawford counties).

The amount of growth that individual TIDs experience can vary widely, even within a single municipality, as a result of local circumstances. (But even a TID that experiences a small amount of growth may be a good investment, if the growth would not have occurred otherwise.) The map shows TID growth over a five-year period, aggregated to the county level. In most counties (the counties colored green on the map), aggregate TID growth was between 35 and 95 percent. The aggregate TID growth for the state as a whole, 73 percent, also fell within this range. Several of the counties in which aggregate TID growth was stronger (the counties colored light blue and dark blue on the map) lie in a chain stretching from Dane to St. Croix counties. A regional factor contributing to this growth may have been Interstate Highway 94, a major transportation route which runs through these counties and links Minneapolis-St. Paul with Chicago and Milwaukee.

Note: Beginning in 2007, counties in which there are no cities or villages (currently, only Florence and Menominee counties) will be allowed to create TIDs, subject to the approval of the towns in which the TIDs will be located.

Prepared by Christopher Siciliano

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### Location and Number of TIDs

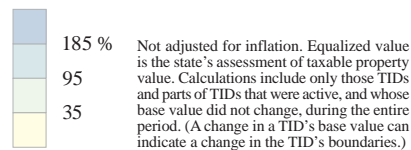
■ Cities and villages in which a TID was active for one or more years during the period. (Towns could not create TIDs prior to 2005.)

■ All other cities and villages.

10/7 Number of TIDs and parts of TIDs located in a county that were active for one or more years during the period. / Number of TIDs and parts of TIDs included in calculations on right.

### TID Growth by County

(Percent increase in the equalized value of TIDs and parts of TIDs located in a county.)



For purposes of this map, a TID is "active" from the January 1 for which its base value is determined to the January 1 for which its final value increment is determined (the final value increment generates the final tax increment).

Map does not include environmental remediation TIDs.

Data: Wisconsin Department of Revenue, February 2006

