

HOUSE RESEARCH

Bill Summary

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Authors: Lenczewski and Abrams

Subject: Modifying the tax base used in determining LGA

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Overview

This bill modifies the definition of city net tax capacity used as the "ability to pay" measure in the current city LGA formula. The current definition is the net tax capacity, adjusted for assessment differences and the net impact of fiscal disparities, but not including the captured value in tax increment financing (TIF) districts. The bill will add the captured value of TIF districts into the definition of city net tax capacity.

Section

- 1 City Net Tax Capacity.** Adds the captured value of TIF districts into the definition of city net tax capacity, which is used in determining a city's "ability to pay" in the city LGA formula. Effective beginning with aids payable in 2004.