

Allocation Amendment Fact Sheet – Tax Incremental District (TID)

Within the same municipality, a TID with excess funds (the donor) can transfer funds to another TID (the recipient) through an allocation amendment.

Donor TID must:

- Be created under secs. 60.23, 66.1105 or 66.1106, Wis. Stats.
- Have the same overlying taxing jurisdictions as the recipient TID

Municipality must:

- Adopt an allocation resolution for the donor TID **before** the donor and recipient TIDs reach their maximum life. The municipality may transfer funds after adopting the allocation resolution until the donor TID reaches its maximum life.
- Demonstrate the donor TID has enough revenue to pay all its planned project costs and the recipient TID's approved allocation amount
- Update the project plan for the donor TID and include a total amount and yearly breakdown for the allocations, if available

Distressed or Severely Distressed Recipient TID <i>(sec. 66.1105(4e)(d), Wis. Stats.)</i>	Allocations based on Recipient Type <i>(sec. 66.1105(6)(f)2., Wis. Stats.)</i>	Environmental Remediation (ER) TID Created on or before November 29, 2017 <i>(sec. 66.1106(2)(c), Wis. Stats.)</i>
<p>For a recipient TID classified as distressed or severely distressed, the donor TID may transfer surplus revenue for the below timeframes:</p> <ul style="list-style-type: none"> • Distressed – whichever is less: <ul style="list-style-type: none"> ○ 10 years past the donor TID's maximum life ○ Recipient TID's extended life • Severely distressed – whichever is less: <ul style="list-style-type: none"> ○ Until the donor TID exists for 40 years ○ Recipient TID's extended life 	<p>Recipient TID must meet one of the following conditions:</p> <ul style="list-style-type: none"> • Has project costs to create, provide or rehabilitate low-cost housing or to remediate environmental contamination • Is a blighted or rehabilitation/conservation TID • Is an Industrial or mixed-use TID designated as distressed or severely distressed • Is an ER TID <p>Donor restrictions:</p> <ul style="list-style-type: none"> • Once an industrial or mixed-use TID created after September 30, 2004 becomes a donor, it can no longer receive the standard extension to its maximum life, per sec. 66.1105(6)(f)4., Wis. Stats. • An ER TID created under sec. 66.1105 Wis. Stats. may only allocate to another ER TID 	<p>ER TID created under sec. 66.1106 allocating to either:</p> <ul style="list-style-type: none"> • Any ER TID • A TID meeting one of the following conditions (sec. 66.1105(6)(f)2., Wis. Stats.): <ul style="list-style-type: none"> ○ Has project costs to create, provide or rehabilitate low-cost housing or to remediate environmental contamination ○ Is a blighted or rehabilitation/conservation TID ○ Is an industrial or mixed-use TID designated as distressed or severely distressed

For additional information or comments, visit the Municipal Tax Incremental Finance Project Plan and/or Allocation Amendments [web page](#).