

## Tax Incremental District (TID) – Allocation Amendment Types

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 its planned project costs and the amount it is allocating to the recipient TID
- Update the project plan for the donor TID and include a total allocation amount and yearly breakdown, 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"> <li>• <b>Distressed</b> – whichever is less:                             <ul style="list-style-type: none"> <li>○ 10 years past the donor TID's maximum life</li> <li>○ Recipient TID's extended life</li> </ul> </li> <li>• <b>Severely distressed</b> – whichever is less:                             <ul style="list-style-type: none"> <li>○ Until the donor TID exists for 40 years</li> <li>○ Recipient TID's extended life</li> </ul> </li> </ul>	<p>Recipient TID must meet one of the following conditions:</p> <ul style="list-style-type: none"> <li>• Has project costs to create, provide or rehabilitate low-cost housing or to remediate environmental contamination</li> <li>• Is a blighted or rehabilitation/conservation TID</li> <li>• Is an Industrial or mixed-use TID designated as distressed or severely distressed</li> <li>• Is an ER TID</li> </ul> <p><b>Donor restrictions:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• An ER TID created under sec. 66.1105 Wis. Stats. may only allocate to another ER TID</li> </ul>	<p>ER TID created under sec. 66.1106 allocating to either:</p> <ul style="list-style-type: none"> <li>• Any ER TID</li> <li>• A TID meeting one of the following conditions (sec. 66.1105(6)(f)2., Wis. Stats.):                             <ul style="list-style-type: none"> <li>○ Has project costs to create, provide or rehabilitate low-cost housing or to remediate environmental contamination</li> <li>○ Is a blighted or rehabilitation/conservation TID</li> <li>○ Is an industrial or mixed-use TID designated as distressed or severely distressed</li> </ul> </li> </ul>

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