

FUND TRANSFERS TO BLIGHTED TAX INCREMENT DISTRICT

In most jurisdictions like **Wisconsin**, transferring funds between Tax Incremental Financing (TIF) districts—often called **allocation amendments**—is permitted if specific statutory conditions are met. To move money from a **Mixed-Use TID** (the donor) to a **Blighted TID** (the recipient), you typically must follow these requirements:

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Key Eligibility Requirements

- **Same Taxing Jurisdictions:** Both the donor and recipient districts must share the same overlying taxing jurisdictions (e.g., the same school district, county, and technical college).
- **Excess Increments:** The donor (Mixed-Use) district must have sufficient "positive tax increments" to cover its own current-year debt service and project obligations before it can donate funds.
- **Recipient Qualifications:** A Blighted TID is generally an eligible recipient if at least **50%** of its area was found to be blighted or in need of rehabilitation upon creation.

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The Transfer Process

1. **Amend the Donor Project Plan:** You must update the [Project Plan](#) of the Mixed-Use district to formally include the allocation.
2. **Pass an Allocation Resolution:** The municipality must adopt a formal resolution before the donor district's expenditure period ends.
3. **Joint Review Board (JRB) Approval:** The allocation amendment requires approval from the [Joint Review Board](#).
4. **Financial Reporting:** The donor's plan must demonstrate economic feasibility, showing exactly how much increment is available to share.

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Important Constraints

- **Life of the District:** While funds can be donated after the donor's expenditure period ends, they must be transferred before either district reaches its **maximum life**.
- **No Extensions:** Donating funds does not allow the donor district to extend its legal life.

State Law Variations: While these rules are standard in Wisconsin (under [sec. 66.1105, Wis. Stats.](#)), other states like **Illinois** have different reporting and legal requirements regarding "contiguous" transfers.