

**1999 DRAFTING REQUEST**

**Assembly Amendment (AA-ASA1-AB133)**

Received: 06/24/99

Received By: grantpr

Wanted: As time permits

Identical to LRB:

For: Senate Democratic Caucus

By/Representing: Walter

This file may be shown to any legislator: NO

Drafter: grantpr

May Contact:

Alt. Drafters: shoveme

Subject: Education - school finance  
Munis - tax incrmntal financing

Extra Copies: MJL

**Pre Topic:**

SDC:.....Walter - Caucus #3303,

**Topic:**

Capital improvement fund; TIF districts

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	grantpr 06/24/99	gilfokm 06/24/99		_____			
/1			jfrantze 06/25/99	_____	lrb_docadmin 06/25/99		

FE Sent For:

<END>

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1?	grantpr	1-6-24-99 kmg	8/25	8/5h 6/25			

FE Sent For:

<END>

yes

SDC

caucus number 2806

duplicate flag:

duplicate with:

Other reference numbers:	Paper 775	LFB Sum #:
	888 Item B	
	bill number/amendment number:	
LRB draft #		LRB P-draft:

description: Special Education Statutory Reimbursement rate

**other notes**

drafting instructions: Maintain current law on Statutory Reimbursement rate 63%

more instructions:

caucus number 3303

duplicate flag:

duplicate with:

Other reference numbers:		LFB Sum #:
	FM 774	
	bill number/amendment number:	
LRB draft #		LRB P-draft:

description: FM 774 with a 2 year sunset date. LakeView Corporate Park TID was successful but put a strain on the school district. Aim is to allow Kenosha Unified School District to put the money from the expanded tax base in a special fund to be used for new schools.

**other notes**

drafting instructions: FM 774 with a 2 year sunset date. See above and attached.

more instructions:

caucus number 3603

duplicate flag:

duplicate with:

Other reference numbers:		LFB Sum #:
	FM 807	
	bill number/amendment number:	
LRB draft #		LRB P-draft:

description: FM 807. Alternative Education Grants. Provide \$5 mil GPr in 00-01 in a new annual categorical aid approp. For grants to school districts for alternative education programs. DPI to promulgate rules and encourage rural consortia to apply for grants.

**other notes**

drafting instructions: FM 807. See above.

more instructions:

caucus number 3604

duplicate flag:

duplicate with:

Other reference numbers:		LFB Sum #:
	bill number/amendment number:	SB 2
LRB draft # a0367/1		LRB P-draft:

description: LRB a0367/1 (amendment to SB 2). Revenue cap Relief for School Tip Lines. Provide an exemption to establish and maintain a toll-free telephone number for pupils and employees to report security or safety concerns or suspected criminal/dangerous activities

**other notes**

drafting instructions: LRB a0367/1 (amendment to SB 2). See above

more instructions:

CN 3303

**Priority Budget Motion-Revenue Limit Increase-Tax Incremental Districts No Fiscal Effect**

The LakeView Corporate Park tax incremental district (TID) was extremely successful, drawing businesses, which in turn drew workers into our area. Unfortunately, one of the negative results is the strain on the Kenosha Unified School District. The LakeView TID was retired 10 years early, but tax coming into the district gets lost in the state equalization formula. Our aim is to allow KUSD to put the money from the expanded tax base in a special fund to be used for new schools.

Representative Riley introduced this motion (#774 under DPI budget), but it failed 8-8. It is my aim to include the language from this motion into the Caucus budget. I have included newspaper articles, letters of support, and language drafted in bill form for your use.

I would like to make one change to the motion as it is drafted now. I would like to sunset the provision two years from the effective date.

OK TO CONTACT AMBER IN WIRCHES  
OFFICE RE: ADJUSTING SUNSET

- LANCE  
|  
re. only for kenosha

SUBJECT: Caucus Budget Provision

I will be forwarding a provision in the Democratic Caucus budget that would allow a school district containing a TIF district that has retired early to place the new revenue they receive on the increased property value from within that district into a segregated capital improvement fund. By doing so, the district would avoid the need for costly debt service, and the state would not be called upon to fund 2/3 of that debt service.

There is no negative fiscal impact to the state. In fact, Kenosha Unified School District estimates the state will realize a modest savings by not taking on the debt service that *would occur without passage of this motion*. Fiscal Bureau can also confirm that this proposal will not divert money away from other school districts. *Provisions of the motion regarding the treatment of value in the district are designed to avoid any shifting of state aids as a result of the proposal.*

The Wisconsin Association of School Boards is in support of this proposal, which is quite remarkable considering their general opposition to TIF districts. There is also support by both Chairs of the Senate and Assembly Education Committees. I all feel it is an interesting idea that could really help school districts provide quality public education in areas where we are also promoting economic growth and revitalization. This motion is a creative initiative that will allow local governments to address these problems without seeking new burdens on local taxpayers or the state.

Wisconsin's economic development has provided great benefits and unique opportunities, and this motion is an opportunity to maintain and improve the quality education that has allowed us to grow and succeed while addressing our responsibility to avoid new burdens on our taxpayers.

I would sincerely appreciate your support for this provision. Thank you for your time and consideration.

# Senate puts Unified school funding plan in budget

BY AMELIE JENSEN  
KENOSHA NEWS

MADISON — Legislation to benefit the Kenosha Unified School District has gotten a boost in the state Senate and is headed, for the Assembly, Kenosha legislators said Tuesday.

Kenosha TIF bill will be part of the Senate budget," said State Sen. Robert Wirch, D-Kenosha. "Of course, we still have to get it through the Assembly, but then it goes to the governor's desk."

If the language remains in the adopted budget, KUSD will be allowed to put money from the expanded tax base in LakeView Corporate Park in a special fund to be used for building new schools.

Wirch and Kenosha County Assembly Reps. John Stehrbrink, James Kreuser and Cloyd Porter have been lobbying their Senate and Assembly counterparts in search of support for the legislation.

The proposal came in response to a complaint from KUSD about the effects of the retirement of the LakeView Corporate Park Tax Incremental Financing District.

Steinbrink said his office worked on the proposal for months only to see it go down to defeat with an 8 to 8 vote in the Joint Finance Committee.

"It's a plan to set aside money for the remodeling and construction of new school buildings," Steinbrink said. "And it has a zero fiscal impact on the rest of the state."

"Potentially, this means a lot of money for building schools in

See TIF, Back page

## From Page One

### TIF: Plan is 'a way to pay for bricks and mortar' for Unified schools

From Page A1

Kenosha," Wirch said. "A lot of people thought this proposal was dead when Joint Finance voted 8 to 8 and defeated it, but this is the first real breakthrough."

When the LakeView TIF was dissolved earlier this year, KUSD officials complained that tax money coming to the district gets lost in the state equalization formula.

Outgoing KUSD board member Eric Olson proposed that the recovered property tax money be placed in an account for school construction and repair.

The TIF district was created in 1989 to boost development in the corporate park. Property tax revenue that would have gone to local units of government was used to make infrastructure improvements in the park.

When the district is retired this year, 10 years ahead of schedule, local taxing bodies will receive payments.

Kenosha Unified will get a check for \$1.8 million in 1999 because the TIF is retiring in mid-year, and in 2000, the amount will be in excess of \$3 million.

But because of the state equal-

ization formula, the additional revenue would not benefit the district.

Schools are funded by the state on a per pupil basis, based on wealth. If Kenosha is considered wealthier per pupil, the district gets less state aid.

The bill suggested by Olson and supported by the entire Kenosha legislative delegation would change that.

"It's a once in a lifetime opportunity," Olson said Tuesday. "It's a way to pay for brick and mortar without putting it on the backs of the taxpayers."

Olson said it is not an open-

ended proposal. The special arrangement would last for 10 years, expiring on the date the TIF was scheduled to be retired.

The rationale for the legislation is that other taxing bodies will benefit from the successful development of the corporate park. But the school district would not be able to gain a benefit and instead would need to seek the electorate's approval to spend the money necessary to build more schools to accommodate the growth.

Wirch called it "uniquely Kenosha. That's the way the amendment is crafted."

# Joint Finance Vote Report

For: 5/20/99  
Page 1 of 13

**Agency: Public Instruction**

**Starting Point: AB 133**

**FM 771 Bilingual-Bicultural Education Aid Set-Aside**

Motion: Adopted  
Author/Mover Huber  
Co-Author/Seconded Gard

Financial      \$250,000 GPR annually

Description: Requires DPI to provide \$250,000 GPR annually as a first draw from the current annual appropriation for bilingual-bicultural aid to school districts where LES pupils comprise 15% or more of total enrollment.

Burke:	Yes	Shibilski:	Yes	Gard:	Yes	Duff:	No
Decker:	Yes	Plache:	Yes	Porter:	Yes	Ward:	No
Jauch:	Yes	Cowles:	No	Albers:	No	Huber:	Yes
Moore:	Yes	Panzer:	Yes	Kaufert:	Yes	Riley:	Yes
<b>Total Yes:</b>		<b>12</b>		<b>Total No:</b>		<b>4</b>	
				<b>Total Absent:</b>		<b>0</b>	

**FM 774 Revenue Limit Increase - Tax Incremental Districts**

Motion: FM 774  
Author/Mover Riley  
Co-Author/Seconded Burke

Financial      none

Description: Increase the school district revenue limits by the amount of certain monies deposited in a proposed capital improvement fund. Value of the TID must exceed 300 million. Modify 2/3 funding definition to exclude the increase from partial school

Burke:	Yes	Shibilski:	Yes	Gard:	No	Duff:	Yes
Decker:	Yes	Plache:	No	Porter:	Yes	Ward:	No
Jauch:	No	Cowles:	No	Albers:	Yes	Huber:	Yes
Moore:	No	Panzer:	No	Kaufert:	No	Riley:	Yes
<b>Total Yes:</b>		<b>8</b>		<b>Total No:</b>		<b>8</b>	
				<b>Total Absent:</b>		<b>0</b>	

**FM 775 Youth Option Program**

Motion: FM 775  
Author/Mover Decker  
Co-Author/Seconded Burke

Financial      unknown

Description: Makes changes to the School District Requirements, DPI Guidelines, Appeals Process and Payment Guidelines to the Youth Options Program

Burke:	No	Shibilski:	Yes	Gard:	No	Duff:	No
Decker:	Yes	Plache:	No	Porter:	No	Ward:	No
Jauch:	Yes	Cowles:	No	Albers:	No	Huber:	Yes
Moore:	No	Panzer:	No	Kaufert:	No	Riley:	Yes
<b>Total Yes:</b>		<b>5</b>		<b>Total No:</b>		<b>11</b>	
				<b>Total Absent:</b>		<b>0</b>	

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1  
KENOSHA, WI

**RATIONALE FOR PROPOSED LEGISLATION**

March 11, 1999

**Background:** The Pleasant Prairie TIF (estimated equalized value of \$333,663,000) is scheduled to terminate in 1999—approximately ten years ahead of schedule. As a result, the District is scheduled to receive proceeds in its 1999/2000 fiscal year of approximately \$1.8 million, which the Board of Education has indicated should be used for major maintenance projects. Prior to the implementation of revenue limits, the Board of Education authorized the borrowing of funds to provide for the major maintenance and upkeep of the District's sites and facilities. Although Kenosha Unified has been fortunate to experience enrollment growth under the revenue limit constraints, it no longer has this funding available and will need to consider reductions in service in order to provide the appropriate facilities for its increased population.

The other municipalities benefiting from the successful development of this TIF (Pleasant Prairie, Kenosha County, and Gateway) will be able to sustain and increase fiscal support of their agencies due to the added assessed value to their tax base. Unfortunately, the school district will not be able to gain this same benefit, and will need to seek its electorate's approval to spend the additional dollars necessary to support the resultant success of this TIF development.

Considering the District's current mill rate of \$9.88, *the addition of the estimated property value of the TIF—prior to the revenue limit legislation—would have provided an additional \$3.3 million of revenue per year in the District's operating budget.* Under the current revenue limit controls, the District will only receive a one-time payment of \$1.8 million.

**Proposal:** The legislation being requested is to provide for an equitable distribution of the benefit of the expanded tax basis to support the District's needs relating to its enrollment growth and to gain the advantage provided for all municipalities participating in the TIF.

Due to the many variables surrounding the school funding formula, a projection of the fiscal impact of this proposal is provided as a model to review the effect this proposal might have on the District's revenue limit, equalization aid and property tax levy calculations. It should be noted that these projections provide only estimates of these variables and are provided for discussion at this time.



# Kenosha hopes to turn property windfall to public schools' benefit

Plan would allow building program without aid cuts

By DAVID COLE

Special to the Journal Sentinel

Kenosha — How about \$60 million worth of new school buildings and renovations without a property tax increase or the need to hold a thorny referendum?

Local officials are working to make what sounds too good to be true become reality in the Kenosha Unified School District.

They say such a plan is possible with help from the state Legislature and Gov. Tommy G. Thompson because of additional tax revenue generated by Lakeview Corporate Park, which has lured several dozen industries from Illinois to Wisconsin.

A coalition of Kenosha-area school officials and legislators are seeking a change in the state's tax incremental financing law that would allow the district to use extra property tax revenue generated by the office park without losing state aid.

In return, the district would promise not to dip into the

state's building fund for new schools, explained School Board member Eric Olson. "It's a plus for the state," he said. "They actually would save money in the long haul."

The job of trying to explain the complex scenario to legislators and the Thompson administration, and to line up their support, has fallen on the shoulders of the Kenosha area's legislative delegation.

"The biggest problem is to get people to understand tax incremental financing districts," said state Rep. John Steinbrink (D-Pleasant Prairie). "When you say TIF, everyone becomes confused."

Tax incremental financing districts allow municipalities to use property tax revenue from development to pay for public improvements within district boundaries. Property taxes based on the increased value of the district are diverted until the debt for improvements is paid off.

The TIF that helped create Lakeview Corporate Park was closed out 10 years ahead of schedule, Steinbrink said.

The value of the property

within the 1,600-acre park rose so rapidly over the past 10 years that officials have already paid off the \$24 million cost of local improvements, he added.

That means revenue actually earmarked for the improvements are now going to the general revenue coffers of village and county governments, and the school district.

However, Kenosha Unified doesn't benefit from the extra revenue because as property tax revenue increases, state aid goes down by a corresponding amount.

School officials want to put the extra money, estimated to be about \$60 million over the next 10 years, into a special building fund and not have it count against the district when it comes to calculating state aid.

A Kenosha school board committee is recommending that the district build a middle school, three new elementary schools, and renovate and expand two others in the coming years.

If state officials refuse to go along with the plan, school officials would have no choice but to schedule a referendum, Olson said.

MSS 3-25

**Grant, Peter**

---

**From:** Burnett, Douglas  
**Sent:** Wednesday, June 23, 1999 10:44 AM  
**To:** Meyer, Amber  
**Cc:** Grant, Peter; Loppnow, Dave  
**Subject:** Limiting the TIF

How about this in lieu of the conference call:

Make it time specific and geographic specific: a TIF created in year 19xx in a County by a big Lake established in 18xx?

-----Original Message-----

**From:** Meyer, Amber  
**Sent:** Wednesday, June 23, 1999 10:39 AM  
**To:** Burnett, Douglas  
**Subject:**

Doug:

Dave Lopnow's suggestions were 1) make it geographically specific (I'm not sure if we would want to do that?) or 2) make it more time specific, like saying a TIF created in the year ours was created.

Could you do a conference call at 11?

PUBLIC INSTRUCTION

Revenue Limit Increase -- Tax Incremental Districts

Motion:

Move to authorize a school district to create a capital improvement fund to finance capital improvements, which could only receive monies from the following source. Provide that if a tax incremental district (TID) that is located in a school district is terminated before the maximum number of years that it could have existed, in each year until the year after the year in which the TID would have been required to terminate, the school district would have to deposit in the fund an amount equal to the school district's portion of the positive tax increment of the TID. Provide that the Department of Revenue would calculate this increment as if the TID had not terminated. Specify that these provisions would only apply to a TID where the value increment exceeds \$300 million.

Specify that the school district's revenue limit for any year would be increased by the amount deposited in the capital improvement fund in that school year. Provide that this revenue limit increase would be excluded from partial school revenues in calculating the costs of state two-thirds funding. Specify that the any expenditures from the capital improvement fund would be excluded from shared costs for purposes of calculating equalization aid. Provide that the increase in value of the TID would be included in the school district's equalized value for purposes of the equalization aid formula.

Require the school district to report to the Governor and to the Joint Committee on Finance, by January 1 of each odd-numbered year, relating to the impact and results of the use of monies under this proposal.

Provide that these provisions would take effect on July 1, 1999.

---

Note:

This motion would increase school district revenue limits by the amount of certain monies deposited in a proposed capital improvement fund. Deposits to a capital improvement fund would equal the school district's portion of the positive tax increment of a TID located in the school district that is terminated before the maximum number of years that it could have existed, if the

value increment of the TID would exceed \$300 million.

The motion would specify that the modifications relating to certain TIDs that terminate early would not affect shared costs under the equalization aid formula, because expenditures from the proposed fund would be excluded from shared costs. In addition, as under current law, the equalized value of the school district would increase by the value increment. Finally, the costs of two-thirds funding would be unchanged, because the motion would modify the two-thirds funding definition to exclude the increase in revenue limits from partial school revenue.

Based on the TIDs that have terminated through the end of 1998, this motion would apply to one school district (Kenosha), which would receive an increase to revenue limits of an estimated \$3.3 million annually in the 1999-01 biennium.

Gard  
Porter  
Kaufert  
Allers  
Puff  
Ward  
Burke  
Becker  
Jauch  
Moore  
Shibilski  
Plasche  
Cowles  
Danyu  
Riley  
Huller

Y4  
8-8

1999

Date (time) needed

Feb - am.

LRB b 12391 1

**CAUCUS BUDGET AMENDMENT  
[ONLY FOR CAUCUS]**

PG # MES : King :

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**CAUCUS AMENDMENT  
TO ASSEMBLY SUBSTITUTE AMENDMENT 1  
TO 1999 ASSEMBLY BILL 133**

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

At the locations indicated, amend the substitute amendment as follows:

#. <sup>✓</sup> Page 1117, line 12: after that line insert

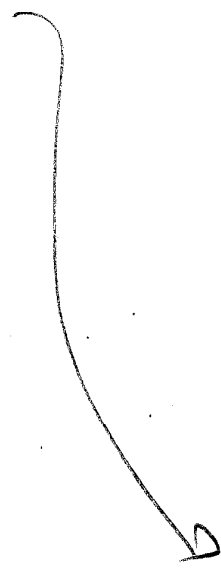
#. Page . . . . , line . . . . :

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#. Page . . . . , line . . . . :

#. Page . . . . , line . . . . :



1999 - 2000 Legislature

- 2 -

LRB-1998/1  
PG&MES:pgt:jf

**BILL**

general school aids and the property tax levy to approximately \$209 per pupil in the 1998-99 school year and, in subsequent school years, to the amount of revenue increase allowed per pupil in the previous school year increased by the percentage change in the consumer price index. The limit is based on the difference between the average number of pupils enrolled in the three previous school years and the average of the number of pupils enrolled in the current and two preceding school years.

This bill authorizes a school district to create a capital improvement fund to finance capital improvements. If a TID that is located in the school district is terminated before the maximum number of years that it could have existed, in each year until the year after the year in which the TID would have been required to terminate, the school district must deposit in the fund an amount equal to the school district's portion of the positive tax increment of the TID in the final year of the TID's existence.

The bill increases the school district's revenue limit in any school year by the amount deposited in the capital improvement fund in that school year.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1

SECTION ~~119.04~~ <sup>2108m</sup> (1) of the statutes is amended to read:

2

119.04 (1) Subchapters IV, V and VII of ch. 115, ch. 121 and ss. 66.03 (3) (c),

3

115.01 (1) and (2), 115.28, 115.31, 115.33, 115.34, 115.343, 115.345, 115.361, 115.38

4

(2), 115.45, 118.001 to 118.04, 118.06, 118.07, 118.10, 118.12, 118.125 to 118.14,

5

118.145 (4), 118.15, 118.153, 118.16, 118.162, 118.163, 118.164, 118.18, 118.19,

6

118.20, 118.24 (1), (2) (c) to (f), (6) and (8), 118.245, 118.255, 118.258, 118.30 to 118.43,

7

118.51, 118.52, 118.55, 120.12 (5) and (15) to (25), 120.125, 120.13 (1), (2) (b) to (g),

8

(3), (14), (17) to (19), (26), (34) and (35) and (37) and 120.14 are applicable to a 1st

9

class city school district and board.

# Page 1122, line 11: after that line insert:

10

SECTION ~~120.13~~ <sup>2126m</sup> (37) of the statutes is created to read:

11

120.13 (37) CAPITAL IMPROVEMENT FUND. (a) A School board may adopt a

12

resolution creating a capital improvement fund for the purpose of financing current

13

and future capital improvements.

Don't list  
1997 WHA 27

Got the Great Lakes

of a school district that has the largest membership, as defined in s. 120.054(5), of any school district located in a county that was created in 1850 and had as one

1999 - 2000 Legislature

- 3 -

BILL

LRB-1958/1  
PG&MES:ptj  
SECTION 2

was created in 1989 and that

1 (b) If a tax incremental district that is located in whole or in part in the school  
 2 district is terminated before the maximum number of years that the tax incremental  
 3 district would have existed under s. 66.46 (7) (am) or (ar) in each year until the year  
 4 after the year in which the tax incremental district would have been required to  
 5 terminate under s. 66.46 (7) (am) or (ar), the school district treasurer shall deposit  
 6 in the capital improvement fund an amount equal to the school district's portion of  
 7 the positive tax increment of the tax incremental district in the final year of the tax  
 8 incremental district's existence, as determined by the department of revenue under  
 9 s. 66.46.

10 (c) Money in the capital improvement fund may not be used for any other  
 11 purpose or be transferred to any other fund without the approval of a majority of the  
 12 electors of the school district voting on the question at a referendum.

INS. 3-12

13 " SECTION ~~3~~<sup>2158 m</sup> 121.91 (4) (h) of the statutes is created to read:

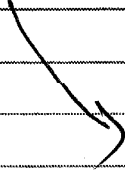
14 121.91 (4) (h) The limit otherwise applicable to a school district under sub. (2m)  
 15 in any school year is increased by an amount equal to the amount deposited in the  
 16 capital improvement fund under s. 120.13 (37) in that school year.

17 (END)

described under par. (b)  
 that has a value increment  
 greater than \$300,000 and

3-12 31 ✓

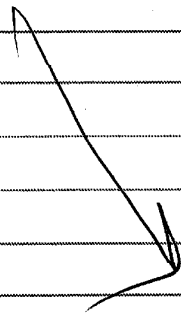
(d) If par. (b) applies,  
the school board of the school  
district described under par. (a) shall  
submit a report ~~annually~~ by January 1 of  
each odd-numbered year to the  
governor ~~and~~ <sup>d</sup> to the joint committee  
on finance describing the impact  
~~and results of the fund~~ ~~established~~  
~~under par. (a)~~ use of the ~~public~~ moneys  
deposited in <sup>d</sup> the fund under par. (a)  
and the ~~impact and results~~ effects  
of that use. "





3-12:2

\* Page 1124, line 5: after  
"commenced" <sup>ced</sup> insert " , excludes any  
expenditures from a ~~set~~ capital  
improvement fund created under  
S. 120.13 (27) "  
③



3-12:3

# Page 1126, line 5: after "<sup>a</sup>(a)3."  
insert "less the amount of <sup>any</sup> revenue  
limit increase under s. 121.91 (4) (h)".

# Page 1136, line 9: after that  
line insert:



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb1239/1  
PG&MES:kmg:jf

SDC:.....Walter – Caucus #3303, Capital improvement fund; TIF districts

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

**CAUCUS AMENDMENT**

**TO ASSEMBLY SUBSTITUTE AMENDMENT 1,**

**TO 1999 ASSEMBLY BILL 133**

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1117, line 12: after that line insert:

3 “SECTION 2108m. 119.04 (1) of the statutes is amended to read:

4 119.04 (1) Subchapters IV, V and VII of ch. 115, ch. 121 and ss. 66.03 (3) (c),  
5 115.01 (1) and (2), 115.28, 115.31, 115.33, 115.34, 115.343, 115.345, 115.361, 115.38  
6 (2), 115.45, 118.001 to 118.04, 118.06, 118.07, 118.10, 118.12, 118.125 to 118.14,  
7 118.145 (4), 118.15, 118.153, 118.16, 118.162, 118.163, 118.164, 118.18, 118.19,  
8 118.20, 118.24 (1), (2) (c) to (f), (6) and (8), 118.245, 118.255, 118.258, 118.30 to 118.43,  
9 118.51, 118.52, 118.55, 120.12 (5) and (15) to (25), 120.125, 120.13 (1), (2) (b) to (g),

1 (3), (14), (17) to (19), (26), (34) ~~and~~, (35) and (37) and 120.14 are applicable to a 1st  
2 class city school district and board.”.

3 **2.** Page 1122, line 11: after that line insert:

4 **“SECTION 2126m.** 120.13 (37) of the statutes is created to read:

5 120.13 (37) CAPITAL IMPROVEMENT FUND. (a) A school board of a school district  
6 that has the largest membership, as defined in s. 121.004 (5), of any school district  
7 located in a county that was created in 1850 and borders one of the Great Lakes may  
8 adopt a resolution creating a capital improvement fund for the purpose of financing  
9 current and future capital improvements.

10 (b) If a tax incremental district that was created in 1989 and that is located in  
11 whole or in part in the school district described under par. (a) has a value increment  
12 greater than \$300,000,000 and is terminated before the maximum number of years  
13 that the tax incremental district would have existed under s. 66.46 (7) (am) or (ar),  
14 in each year until the year after the year in which the tax incremental district would  
15 have been required to terminate under s. 66.46 (7) (am) or (ar), the school district  
16 treasurer shall deposit in the capital improvement fund an amount equal to the  
17 school district’s portion of the positive tax increment of the tax incremental district  
18 in the final year of the tax incremental district’s existence, as determined by the  
19 department of revenue under s. 66.46.

20 (c) Money in the capital improvement fund may not be used for any other  
21 purpose or be transferred to any other fund without the approval of a majority of the  
22 electors of the school district voting on the question at a referendum.

23 (d) If par. (b) applies, the school board of the school district described under par.  
24 (a) shall submit a report by January 1 of each odd-numbered year to the governor

1 and the joint committee on finance describing the use of the moneys deposited in the  
2 fund under par. (a) and the effects of that use.”

3 **3.** Page 1124, line 5: after “commenced” insert “, excludes any expenditures  
4 from a capital improvement fund created under s. 120.13 (37)”.

5 **4.** Page 1126, line 5: after “(a) 3.” insert “, less the amount of any revenue limit  
6 increase under s. 121.91 (4) (h)”.

7 **5.** Page 1136, line 9: after that line insert:

8 “**SECTION 2158m.** 121.91 (4) (h) of the statutes is created to read:

9 121.91 (4) (h) The limit otherwise applicable to a school district under sub. (2m)  
10 in any school year is increased by an amount equal to the amount deposited in the  
11 capital improvement fund under s. 120.13 (37) in that school year.”.

12

(END)