2005 DRAFTING REQUEST

Bill

Received: **02/22/2005**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Robert Wirch (608) 267-8979**

By/Representing: **Nancy (Rep. Kreuser), Matthew**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact:

Addl. Drafters:

Subject: **Local Gov't - tax incr financing**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Wirch@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Changes to a tax incremental district (TID) in Kenosha

Instructions:

See Attached. Companion to LRB -1961/2

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	mshovers 02/22/2005	wjackson 02/22/2005		_____ _____			Local
/1			pgreensl 02/23/2005	_____ _____	sbasford 02/23/2005	sbasford 02/23/2005	

FE Sent For:

<END>

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Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	mshovers	/1 WLJ 2/22	2/22 pg	2/23 ps			
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JACKET for SENATE

FE Sent For:

<END>

Shovers, Marc

From: Krifka, Nancy
Sent: Tuesday, February 22, 2005 1:41 PM
To: Shovers, Marc
Cc: Gaston, Geoff; Swentkofske, Matthew
Subject: LRB-1961/2

Marc,

We're all set with the draft.

Representative Steinbrink will be the author in the Assembly and Senator Wirch will be the author for the companion bill. Both offices will be contacting you regarding getting the stripes. Any questions please give me a call or shoot me an email.

Thanks
Nancy

Nancy Krifka
Assistant to Representative
Jim Kreuser
Assembly Democratic Leader
201W, State Capitol
(608) 266-5504

2005 – 2006 LEGISLATURE

-2230/1
LRB-~~1961/2~~
MES:jld:~~pgz~~
stays RMNR

2005 ASSEMBLY BILL

SOON

Jacket for Senate

regen

AN ACT ***to amend*** 66.1105 (2) (f) 1. (intro.); and ***to create*** 66.1105 (2) (f) 1. m. and 66.1105 (6) (am) 5. of the statutes; **relating to:** expenditure periods, and allowable project costs, for certain tax incremental districts in the city of Kenosha.

Analysis by the Legislative Reference Bureau

Under the current tax incremental financing program, a city or village may create a tax incremental district (TID) in part of its territory to foster development if at least 50 percent of the area to be included in the TID is blighted, in need of rehabilitation or conservation, suitable for industrial sites, or suitable for mixed–use development.

Also under current law, once a TID has been created, the Department of Revenue calculates the "tax increment base value" of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a "value increment" is created and that portion of taxes collected on the value increment in excess of the base value is called a "tax increment." The tax increment is placed in a special fund that may be used only to pay back the project costs of the TID.

The project costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. Generally under current law, but subject to one exception, project costs are required to be expended within the

boundaries of a TID. Under this bill, the project costs of a TID in the city of Kenosha may be spent on territory within a one–half mile radius of the boundary of the TID if that TID is a blighted area TID.

TIDs are required to terminate, under current law and with some exceptions, once these project costs are paid back. Under one of the exceptions, which is limited to certain circumstances, after a TID pays off its project costs, but not later than the date on which it must otherwise terminate, the planning commission may allocate positive tax increments generated by the TID (the "donor" TID) to another TID (donee TIDs) that has been created by the planning commission.

Also under current law, certain donor TIDs in the city of Kenosha may share their tax increments with donee TIDs in that city if environmental pollution in the donee TID slows development in that TID.

Current law specifies that for certain TIDs, subject to a number of exceptions, the expenditure period to pay off project costs is limited to five years before the unextended termination date of the TID. This bill applies that same expenditure period, five years before the termination date of the TID, to certain donor TIDs in the city of Kenosha.

For further information see the ***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 1.** 66.1105 (2) (f) 1. (intro.) of the statutes is amended to read:

2 66.1105 **(2)** (f) 1. (intro.) "Project costs" mean any expenditures made or
3 estimated to be made or monetary obligations incurred or estimated to be incurred
4 by the city which are listed in a project plan as costs of public works or improvements
5 within a tax incremental district or, to the extent provided in ~~subd.~~ subds. 1. k. and
6 1.m., without the district, plus any incidental costs, diminished by any income,
7 special assessments, or other revenues, including user fees or charges, other than tax
8 increments, received or reasonably expected to be received by the city in connection
9 with the implementation of the plan. For any tax incremental district for which a
10 project plan is approved on or after July 31, 1981, only a proportionate share of the
11 costs permitted under this subdivision may be included as project costs to the extent
12 that they benefit the tax incremental district. To the extent the costs benefit the

municipality outside the tax incremental district, a proportionate share of the cost is not a project cost. "Project costs" include:

SECTION 2. 66.1105 (2) (f) 1. m. of the statutes is created to read:

66.1105 **(2)** (f) 1. m. With regard to a tax incremental district that is located in a city to which sub. (6) (d) applies and about which a finding has been made that not less than 50 percent, by area, of the real property within the district is a blighted area, project costs incurred for territory that is located within a one–half mile radius of the district's boundaries.

SECTION 3. 66.1105 (6) (am) 5. of the statutes is created to read:

66.1105 **(6)** (am) 5. No expenditure may be made later than 5 years before the termination date of a tax incremental district to which par. (d) applies.

(END)