

## 2009 DRAFTING REQUEST

### Bill

Received: **08/06/2009**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Terry Van Akkeren (608) 266-0656**

By/Representing: **Carol Reineking**

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

Drafter: **emueller**

May Contact:

Addl. Drafters:

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

Extra Copies: **MES**

Submit via email: **YES**

Requester's email: **Rep.VanAkkeren@legis.wisconsin.gov**

Carbon copy (CC:) to:

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### Pre Topic:

No specific pre topic given

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### Topic:

Extend expenditure period for tax incremental district (TID) #6 in Sheboygan

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### Instructions:

See attached. See 2003 SB 167, which extended the expenditure period once before. Extension should be through 2014 (or 2017?).

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### 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>
/?	mshovers 09/11/2009			_____			S&L
/P1	emueller 09/24/2009	kfollett 10/02/2009	phenry 10/02/2009	_____	mbarman 10/02/2009		S&L
/1	emueller 10/12/2009	kfollett 10/13/2009	phenry 10/13/2009	_____	lparisi 10/13/2009	lparisi 10/13/2009	

. FE Sent For:

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intro

<END>

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Instructions:

See attached. See 2003 SB through 2014 (or 2017?).

*Jacket for*

once before. Extension should be

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Drafting History:

*Assembly*

Vers.      Drafted      Re

/?            mshovers  
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              09/24/2009    10

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1/?	mshovers 09/11/2009 emueller	1P/1gf 10/2	10 2 ph	10 2 ph/			S&L
1/P1	EUM 9/24/09						

FE Sent For:

<END>

**Shovers, Marc**

**From:** Reineking, Carol  
**Sent:** Wednesday, August 19, 2009 12:18 PM  
**To:** Shovers, Marc  
**Subject:** FW: Proposed legislation extending the expenditure period for TID #6 in the City of Sheboygan  
**Attachments:** 2009 Assembly Bill re TID 6.doc

Hi Marc:

I don't know if this would be helpful to you or not, but our city attorney sent Terry proposed language for his TID bill. I just thought I should pass it along to you, as a courtesy.

Thanks for your help!

Carol Reineking

*Carol Reineking*  
*Office of Rep. Terry Van Akkeren*  
608-266-0656  
1-888-529-0026

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**From:** McLean, Steve [mailto:smclean@ci.sheboygan.wi.us]  
**Sent:** Friday, August 14, 2009 4:58 PM  
**To:** Rep.Van Akkeren  
**Cc:** Enders, Paulette; Mayor Ryan  
**Subject:** Proposed legislation extending the expenditure period for TID #6 in the City of Sheboygan

Terry: Attached is proposed language for legislation that would extend the expenditure period for TID 6 from the currently expired date of Dec. 31, 2006, to Dec. 31, 2017 (i.e. 5 years before the current expiration date of the TID, which is Dec. 31, 2022). TID 6 was created Jan.1, 1992.

Under current law, there are three sections of Sec. 66.1105, Wis. Stats., that are specifically related to TID 6:

1. Sec. 66.1105(6)(a)5: This is in the section dealing with allocations of tax increments by the Dept of Revenue and reads, in relevant part:  
“(6)(a)...After the allocation of tax increments is authorized, the department of revenue shall annually authorize allocation of the tax increment to the city that created the district until the soonest of the following events:  
...  
5. Thirty-one years after the tax incremental district is created if the district is created before October 1, 1995, and  
the expenditure period is specified in par.(am)2.c.”

8/19/2009

2. Sec. 66.1105(6)(am)2.c.: “Expenditures for project costs for Tax Incremental District Number Six in a city with a population of at least 45,000 that is located in a county that was created in 1836 and that is adjacent to one of the Great Lakes. Such expenditures may be made no later than 15 years after the tax incremental district is created, and may be made through December 31, 2006.”
3. Sec. 66.1105(7)(at): This section deals with termination of TID districts and currently provides that: “Notwithstanding par.(am), 16 years after the last expenditure identified in the project plan is made if the district to which the plan relates is created before October 1, 1995, and the expenditure period is specified in sub.(6)(am)2.c.”

If you have any questions regarding the above, or the suggested legislative changes, please let me know.

Thanks for your help on this.

Steve



**Shovers, Marc**

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**From:** Reineking, Carol  
**Sent:** Thursday, August 06, 2009 10:53 AM  
**To:** Shovers, Marc  
**Subject:** RE: TID legislation

Yes. Please feel free to contact DOR about this.

Thanks for your help!

---

**From:** Shovers, Marc  
**Sent:** Thursday, August 06, 2009 10:52 AM  
**To:** Reineking, Carol  
**Subject:** RE: TID legislation

Hi Carol:

Yes, we will be happy to draft this for you. If we have any questions, may we contact DOR directly, or would you prefer that we just work through your office?

Marc

Marc E. Shovers

Managing Attorney  
Legislative Reference Bureau  
Phone: (608-266-0129)  
E-Mail: marc.shovers@legis.wisconsin.gov

---

**From:** Reineking, Carol  
**Sent:** Thursday, August 06, 2009 8:32 AM  
**To:** Shovers, Marc  
**Subject:** TID legislation

Good morning, Marc-

I understand that you and Eric Mueller are the drafters who handle TID legislation. So, I hope you can help our office with a TID bill.

Representative Van Akkeren would like to get a bill drafted to extend the expenditure period for TID 6 in Sheboygan. 2003 SB 167 extended the expenditure period to December 31, 2004. He would like to get legislation drafted to extend the expenditure period through 2014.

As I understand it, this is the only change they need to this TID.

Let me know if you have any questions. Also, please confirm the receipt of this request.

Thanks much!!!

Carol Reineking

Office of Rep. Terry Van Akkeren

*Carol Reineking*  
*Office of Rep. Terry Van Akkeren*  
608-266-0656  
1-888-529-0026



State of Wisconsin  
2009 - 2010 LEGISLATURE

Other

LRB-3252/P1

EVM: kgf

Note

RMR

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

In 9/24/09

gea

- 1 AN ACT ...; relating to: extending the expenditure period of Tax Incremental
- 2 District Number 6 in the city of Sheboygan.

***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. Currently, towns also have a limited ability to create a TID under certain circumstances. Before a city or village may create a TID, several steps and plans are required. These steps and plans include public hearings on the proposed TID within specified time frames, preparation and adoption by the local planning commission of a proposed project plan for the TID, approval of the proposed project plan by the common council or village board, approval of the city's or village's proposed TID by a joint review board that consists of members who represent the overlying taxation districts, and adoption of a resolution by the common council or village board that creates the TID as of a date provided in the resolution.

Also under current law, once a TID has been created, the Department of Revenue (DOR) calculates the "tax incremental 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. 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

five

costs of the TID. DOR authorizes the allocation of the tax increments until the TID terminates or, generally, 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created. Under certain circumstances, the life of the TID and the allocation period may be extended. The 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, project expenditures may not be made later than 5 years prior to the termination date of the TID.

+

Under current law, a specific provision allows TID Number 6 in the city of Sheboygan, which was created on January 1, 1992, to make expenditures up to 15 years after the TID was created, or through December 31, 2006. DOR is also authorized by a specific provision to allocate tax increments to this TID for 16 years after the last expenditure identified in the project plan is made.

the city of

✓

Under this bill, the expenditure period for TID Number 6 in Sheboygan is extended to 26 years after the TID was created, or through December 31, 2017. The bill also allows DOR to allocate tax increments to this TID for 31 years after the TID was created, which is the same as current law.

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

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

1 SECTION 1. 66.1105 (6) (am) 2. c. of the statutes is amended to read:

2 66.1105 (6) (am) 2. c. Expenditures for project costs for Tax Incremental  
3 District Number Six 6 in a city with a population of at least 45,000 that is located in  
4 a county that was created in 1836 and that is adjacent to one of the Great Lakes. Such  
5 expenditures may be made no later than 15 26 years after the tax incremental  
6 district is created, and may be made through December 31, 2006 2017.

History: 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385; 2007 a. 2, 10, 21, 41, 43, 57, 73, 96; 2009 a. 5, 28.

7 SECTION 2. 66.1105 (7) (at) of the statutes is amended to read:

8 66.1105 (7) (at) Notwithstanding par. (am), 16 years after the last expenditure  
9 identified in the project plan is made 31 years after the district is created if the

1 district ~~to which the plan relates~~ is created before October 1, 1995, and the  
2 expenditure period is specified in sub. (6) (am) 2. c.

**History:** 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385; 2007 a. 2, 10, 21, 41, 43, 57, 73, 96; 2009 a. 5, 28.

3

(END)

(DAL) etc

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

*Date*

pl  
LRB-3252/tn  
EVM:.....  
af

ATTN: Rep. Van Akkeren

The instructions contain conflicting information regarding the requested extension of the expenditure period for TID Number 6 in the city of Sheboygan. One e-mail indicates the period should be extended through 2014, another indicates an extension through 2017. Because the more recent e-mail uses the 2017 date, I have used that date in this draft. Please let me know if you want the date changed or if you have any other instructions or questions.

Eric V. Mueller  
Legislative Attorney  
Phone: (608) 261-7032  
E-mail: [eric.mueller@legis.wisconsin.gov](mailto:eric.mueller@legis.wisconsin.gov)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-3252/P1dn  
EVM:kjf:ph

October 2, 2009

ATTN: Rep. Van Akkeren

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Legislative Attorney  
Phone: (608) 261-7032  
E-mail: [eric.mueller@legis.wisconsin.gov](mailto:eric.mueller@legis.wisconsin.gov)



State of Wisconsin  
2009 - 2010 LEGISLATURE

11  
LRB-3252/P1  
EVM:kjf:ph

RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

No  
changes

10/12/09

Reger

- 1 AN ACT to amend 66.1105 (6) (am) 2. c. and 66.1105 (7) (at) of the statutes;  
2 relating to: extending the expenditure period of Tax Incremental District  
3 Number 6 in the city of Sheboygan.

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*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. Currently, towns also have a limited ability to create a TID under certain circumstances. Before a city or village may create a TID, several steps and plans are required. These steps and plans include public hearings on the proposed TID within specified time frames, preparation and adoption by the local planning commission of a proposed project plan for the TID, approval of the proposed project plan by the common council or village board, approval of the city's or village's proposed TID by a joint review board that consists of members who represent the overlying taxation districts, and adoption of a resolution by the common council or village board that creates the TID as of a date provided in the resolution.

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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:*

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1           **SECTION 1.** 66.1105 (6) (am) 2. c. of the statutes is amended to read:

2           66.1105 **(6)** (am) 2. c. Expenditures for project costs for Tax Incremental  
3           District Number ~~Six~~ **6** in a city with a population of at least 45,000 that is located in  
4           a county that was created in 1836 and that is adjacent to one of the Great Lakes. Such  
5           expenditures may be made no later than ~~15~~ **26** years after the tax incremental  
6           district is created, and may be made through December 31, ~~2006~~ **2017**.

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9           ~~identified in the project plan is made~~ **31 years after the district is created** if the



## Barman, Mike

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**From:** Barman, Mike  
**Sent:** Monday, October 12, 2009 8:52 AM  
**To:** Reineking, Carol  
**Cc:** Mueller, Eric  
**Subject:** RE: Draft review: LRB 09-3252/P1 Topic: Extend expenditure period for tax incremental district (TID) #6 in Sheboygan

Carol -

I forwarded your e-mail to the drafting attorney (Eric Mueller) ... the draft will need to go to a "/1" before it can be jacketed.

Let me know if I can be of further assistance.

**Mike Barman** (Senior Program Assistant)

State of Wisconsin - Legislative Reference Bureau

Legal Section - Front Office

1 East Main Street, Suite 200, Madison, WI 53703

(608) 266-3561 / [mike.barman@legis.wisconsin.gov](mailto:mike.barman@legis.wisconsin.gov)

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**From:** Reineking, Carol  
**Sent:** Monday, October 12, 2009 8:39 AM  
**To:** Barman, Mike  
**Subject:** RE: Draft review: LRB 09-3252/P1 Topic: Extend expenditure period for tax incremental district (TID) #6 in Sheboygan

Everything looks good. Rep. Van Akkeren would like to move forward with the TID bill and get it jacketed for the Assembly.

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**From:** Barman, Mike  
**Sent:** Friday, October 02, 2009 12:15 PM  
**To:** Rep.Van Akkeren  
**Subject:** Draft review: LRB 09-3252/P1 Topic: Extend expenditure period for tax incremental district (TID) #6 in Sheboygan

**Following is the PDF version of draft LRB 09-3252/P1 and drafter's note.**