

2011 DRAFTING REQUEST

Bill

Received: 11/29/2010

Received By: **mshovers**

Wanted: **As time permits**

Companion to LRB:

For: **Lena Taylor (608) 266-5810**

By/Representing: **Eric**

May Contact:

Drafter: **mshovers**

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

Addl. Drafters:

Extra Copies: **EVM**

Submit via email: **YES**

Requester's email: **Sen.Taylor@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Tax incremental district (TID) in Milwaukee; papers filed late; DOR approval

Instructions:

See attached. Require DOR to calculate the tax incremental base of a TID in Milwaukee even though certain papers were filed late. See, for example, ss. 66.1105 (5) (be), (bf), (bg), etc.

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>
/?				_____			S&L
/1	mshovers 12/07/2010	jdye 12/10/2010	mduchek 12/13/2010	_____	lparisi 12/13/2010	lparisi 01/04/2011	

FE Sent For:

*at
intro*

<END>

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/?	mshovers	1 12/10 jld	MD 12/10	SIF			
1/1 NES 12/7/10							
FE Sent For:							

<END>

Shovers, Marc

From: Kreye, Joseph
Sent: Monday, November 29, 2010 10:03 AM
To: Shovers, Marc
Subject: FW: Drafting for Taylor on TID
Attachments: TID 72 White Paper.docx; Proposed Language.docx
Mr. Shovers, I believe this is in your wheelhouse.

I sent Eric an e-mail to say that I was forwarding the request to you.

Joseph Kreye
Senior Legislative Attorney
Legislative Reference Bureau
608 266-2263

From: Peterson, Eric
Sent: Monday, November 29, 2010 9:09 AM
To: Kreye, Joseph
Subject: Drafting for Taylor on TID

Joe,

Senator Taylor needs this bill drafted related to a TID in the City of Milwaukee. There is some suggested language in the file, and I also included a white paper on the issue to be resolved for your information.

Thanks much!
Eric

Eric M. Peterson
Chief of Staff -- Senator Lena C. Taylor
608-266-5810 o, 608-267-2353 f

11/29/2010

66.1105 (5)(b_) of the statutes is created to read:

66.1105 (5)(b_) Notwithstanding the time limits in par. (b), if the city clerk of a city that created a tax incremental district in December 2008 files with the department of revenue, not later than May 31, 2010, the forms and application that were originally due on or before December 31, 2009, the tax incremental base of the district shall be calculated by the department of revenue as if the forms and application had been filed on or before December 31, 2009, and, until the tax incremental district terminates, the department of revenue shall allocate tax increments and treat the district in all other respects as if the forms and application had been filed on or before December 31, 2009, except that the department may not certify a value increment under par. (b) before 2010.



Department of Administration
Intergovernmental Relations Division

Tom Barrett
Mayor

Sharon Robinson
Director of Administration

Audra Brennan
Director of Intergovernmental Relations

In order for a municipality to create a TID, the Wisconsin Department of Revenue (DOR) uses its statutory authority to certify the base value of a tax incremental district (TID) when requested by a municipality. The requesting municipality must submit a creation request to the DOR along with a \$1,000 fee on or before December 31 of the year the TID is approved and created by the municipality.

City of Milwaukee Tax Incremental District #72 was approved and created by the Milwaukee Common Council on December 16, 2008 to provide for the redevelopment of a blighted area known as the Bishops Creek Redevelopment. This project is at the northern end of the 30th Street Industrial Corridor, an area that has become a redevelopment priority for the City. This area has been marred by high unemployment, blighted conditions, and a general lack of reinvestment in the area. The TID is intended to fund up to \$1,585,000 in expenditures for the following:

- Environmental remediation
- New housing development
- Local housing stock renovation and repair

In addition to the City's funding, the project also received a \$750,000 brownfield remediation grant from the Wisconsin Department of Commerce

The City's intention was to have the TID created and certified by the DOR for the 2009 calendar year. In order to have the TID base value certified and created by the DOR, the City would have needed to submit the necessary paperwork by December 31, 2009. Due to an oversight, the paperwork was not submitted until May 3, 2010, and the DOR was unable to certify the base value of TID #72.

The only recourse the City has is to request legislation which will allow for the certification of the base value despite the missed deadline. This particular legislative remedy has been sought in the past by various municipalities throughout the state. There were five occasions where legislation was passed to allow for the certification and 2 times where the legislative fix was approved as a part of the State budget (see attachment).

It is imperative that this legislative remedy move forward. To-date, the City has expended \$1,237,618 from the TID's expenditure account. If the base value of the TID isn't certified, the City will lose the ability to collect incremental revenue from the TID and the current expenditures will be borne by the City's tax payers instead of being paid by the increase in TID value.

For more information, please contact:

Joe'Mar Hooper, Legislative Fiscal Manager
(414) 286-3336 or jhoope@milwaukee.gov



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-06377

jld
MES
RMR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

1

AN ACT ...; relating to: (???)

the filing of certain forms related to tax incremental district number 172 in the city of Milwaukee
Financing
filing

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.

Once these steps are accomplished, the city clerk is required to complete certain forms and an application and submit the documents to the Department of Revenue (DOR) on or before October 31 of the year in which the TID is created, although until October 1, 2010, this deadline was December 31 of the year in which the TID was created. Upon receipt of the application, DOR is required to certify the full aggregate value of the taxable property in the city, which constitutes the tax incremental base of the TID.

This bill specifies that, if the city of Milwaukee clerk had submitted to DOR not later than May 31, 2010, the required forms and an application for a TID that was

created, or attempted to have been created, on January 1, 2009, based on action taken by the city in December 2008, even though the forms and application were originally due on December 31, 2009, DOR must proceed as if the forms had been timely filed not later than December 31, 2009, except that DOR may not certify a value increment before 2011.

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 1.** 66.1105 (5) (bs) of the statutes is created to read:

2 66.1105 (5) (bs) Notwithstanding the time limits in par. (b), if the city clerk of
3 a city that created, or attempted to create, a tax incremental district on January 1,
4 2009, based on actions taken by the common council in December 2008, files with the
5 department of revenue, not later than May 31, 2010, the forms and application that
6 were originally due on or before December 31, 2009, the tax incremental base of the
7 district shall be calculated by the department of revenue as if the forms and
8 application had been filed on or before December 31, 2009, and, until the tax
9 incremental district terminates, the department of revenue shall allocate tax
10 increments and treat the district in all other respects as if the forms and application
11 had been filed on or before December 31, 2009, except that the department of revenue
12 may not certify a value increment under par. (b) before 2011.

13

(END)

Barman, Mike

From: Peterson, Eric
Sent: Monday, January 03, 2011 5:22 PM
To: LRB.Legal
Cc: Rep.Fields
Subject: Draft Review: LRB 11-0637/1 Topic: Tax incremental district (TID) in Milwaukee; papers filed late; DOR approval

Please Jacket LRB 11-0637/1 for the SENATE.

Please jacket an Assembly companion for Rep. Field's office. They are copied on this email.

Barman, Mike

From: Barman, Mike
Sent: Tuesday, January 04, 2011 7:48 AM
To: Shovers, Marc
Cc: Peterson, Eric
Subject: FW: Draft Review: LRB 11-0637/1 Topic: Tax incremental district (TID) in Milwaukee; papers filed late; DOR approval

Marc -

We will take care of jacketing 11-0637/1 for the Senate.

Looks like they need a companion bill drafted for the Assembly (see below) ... could you take care of that?

Thanks,

Mike Barman (Lead 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

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