

2011 DRAFTING REQUEST

Bill

Received: **12/09/2011**

Received By: **mshovers**

Wanted: **As time permits**

Companion to LRB:

For: **Frank Lasee (608) 266-3512**

By/Representing: **Rob**

May Contact: **Rep. Jacque's office**

Drafter: **mshovers**

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

Addl. Drafters:

Extra Copies: **EVM**

Submit via email: **YES**

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Extend the expenditure period for a tax incremental district (TID) in the village of Denmark

Instructions:

See attached. Extend the expenditure period for TID #1 in the village of Denmark to 12/31/14. Do not change the termination date.

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>
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/1	mshovers 12/09/2011	jdyer 12/12/2011	phenry 12/12/2011	_____	sbasford 12/12/2011	ggodwin 12/23/2011	

FE Sent For:

*AF INTO
12/20/11*

<END>

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1?	mshovers	1 12/12 jld	12/12 ph				
11	MES	12/9/11					

FE Sent For:

<END>

Rob says it's TID#1
extend → 12/31/14

RESOLUTION # - 2011

WHEREAS, Once a Tax Incremental District (TID) has been created, the Dept 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. 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 cost of the TID. The cost 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 cost.

WHEREAS, 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. Also under current law, a city or village may not generally make expenditures for project cost later than five years before the unextended termination date of the TID. In 2009 the City of Racine needed additional time for expenditures to be covered by TID funds and successfully introduced legislation (ACT 66; AB 174 and SB 132) to extend the expenditure period of their TID

WHEREAS, the Village of Denmark is currently confronting a similar need and therefore is respectfully requesting consideration from it's members of the Wisconsin State Senate and Legislature. Under the proposed bill, for TID Number 1 in the Village of Denmark, the 27 year life of the TID would remain the same but the expenditure period would be extended from September 5, 2012 to December 31st, 2014.

NOW THEREFORE BE IT RESOLVED BY THE VILLAGE OF DENMARK AS FOLLOWS:

The Denmark Village Board of Trustees respectfully request the Wis. State Senate & Legislature to amend Wis. State Stat 66.1105 Municipal Law section (6) (am) to create Sub 2.e. to read as follows:

66.1105(6) (am) 2.e Expenditures for project costs for Tax Incremental District Number 1 in the Village with a population of 2127 that is located in a county that was created in 1818 and that is adjacent to one of the Great Lakes. Such expenditures may be made no later than 25 years after the tax incremental district is created, and may be made through December 31, 2014.

BE IT FURTHER RESOLVED THAT the Denmark Village Clerk/Treasure forward this resolutions to State Senator Frank Lasee and State Representative Andre Jacque

ADOPTED AND APPROVED BY THE DENMARK VILLAGE BOARD OF TRUSTEES ON December 5, 2011

Roger Stein, Village President

Attest: MiLissa Stipe, Village Clerk



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-3609/1
MES: A...

2011 BILL

Handwritten initials: jld, KMR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

D-note

SOON

gem

Handwritten mark: Lx

1 AN ACT ...; relating to: extending the expenditure period for a tax incremental
2 district in the village of Denmark. ✓

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 and counties 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 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.✓ 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.✓ Also under current law, a city or village may not generally make expenditures for project costs✓ later than five years before the unextended termination date of the TID. Under certain circumstances, the life of the TID, the expenditure period, and the allocation period may be extended.✓

* This bill extends the expenditure period for TID #1 in the village of Denmark from September 2012 to December 31, 2014. ✓
Number

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 (6) (am) 2. e. of the statutes is created to read:
2 66.1105 (6) (am) 2. e. Expenditures for project costs for Tax Incremental
3 District Number 1 in the village of Denmark. Such expenditures may be made
4 through 2014.

5 (END)

D-note
↓

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

LRB-3609/1dn

MES^{ma}↑:...

date

JLd

Senator Lasee:✓

You may wish to check with the village or DOR[✓] to determine whether the period during which DOR may allocate tax increments needs to be extended.✓

Marc E. Shovers
Managing Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov

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

LRB-3609/1dn
MES:jld:ph

December 12, 2011

Senator Lasee:

You may wish to check with the village or DOR to determine whether the period during which DOR may allocate tax increments needs to be extended.

Marc E. Shovers
Managing Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov

Godwin, Gigi

From: Kovach, Robert

Sent: Friday, December 23, 2011 2:53 PM

To: LRB.Legal

Subject: Please Jacket LRB-3609/1

Hi,

Please Jacket LRB-3609/1 for Senate. Thanks!

Due to the Holidays, I wouldn't mind coming over to get it if it's ready soon. Just give me a call.

Thanks!

Rob Kovach
Chief of Staff
Office of State Senator Frank Lasee
608-266-3512

12/23/2011