

2013 DRAFTING REQUEST

Bill

Received: 6/10/2013 Received By: mshovers
Wanted: As time permits Same as LRB:
For: Jerry Petrowski (608) 266-2502 By/Representing: Derek
May Contact: Drafter: mshovers
Subject: Local Gov't - tax incr financing Addl. Drafters:
Extra Copies: EVM, RCT

Submit via email: YES
Requester's email: Sen.Petrowski@legis.wisconsin.gov
Carbon copy (CC) to:

Pre Topic:

No specific pre topic given

Topic:

Allow certain towns to create tax incremental financing districts (TIDs)

Instructions:

See attached; Allow certain towns to create TIDs

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 7/9/2013			_____			
/P1	mshovers 10/8/2013	scalvin 10/8/2013	rschluet 10/8/2013	_____	lparisi 7/19/2013		State S&L
/1				_____	mbarman 10/8/2013	lparisi 10/8/2013	State S&L

FE Sent For:

<END>

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/?	mshovers 7/9/2013			_____			
/P1		scalvin 7/19/2013	jmurphy 7/19/2013	_____	lparisi 7/19/2013		State S&L
11 MES FE Sent For:	10/8/13 Asac 10/8/2013		[Signature] <END>				

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1?	mshovers	1/PI sac 07/19/2013					
1/PI MES		7/9/13	Jm				
FE Sent For:			7/19	self			

<END>

Shovers, Marc

From: Punches, Derek
Sent: Tuesday, July 02, 2013 2:02 PM
To: Shovers, Marc; Mueller, Eric
Subject: Additional Info - Draft Request: Permitting certain towns to create TIF districts

Good afternoon Marc,

You indicated either you or Eric would be dealing with the drafting of this bill, so I have included both of you on this email. I wanted to provide a little additional direction on the portion of the bill requiring water and sewer services be provided.

In addition to the population and equalized value minimums, the bill would require the area designated for the TIF in the town "be in an area that access to sewer and water service." The intention here is that sewer and water services do not need to be in the area before the TIF is created, because the TIF bonding will likely be used to extend sewer and water to the area. In my mind, having access to sewer and water service would mean that the proposed area is within a sewer service area identified by the DNR. This would include sewer service areas that lie predominantly in villages and cities but extend over their boundaries into a town's territory. The town may have to seek extension of the sewer service area if it there is not one already, but once approved the area would be eligible for possible creation of the TIF district. While sewer extensions have to be in the sewer service area, water generally does not as more options can be used to extend that service.

Please let me know if you have any questions.

Best regards,
Derek

Derek Punches
Office of Senator Jerry Petrowski
29th Senate District
(608) 266-2502

From: Punches, Derek
Sent: Wednesday, June 05, 2013 1:50 PM
To: Shovers, Marc
Subject: Draft Request: Permitting certain towns to create TIF districts

Good afternoon Marc,

Our office would like to request a bill draft that would permit certain towns the ability to form TIF districts.

To be eligible, each town must meet each of the following criteria:

- Equalized value of \$500 million or more in the prior year
- Population of 5,000 residents or more as of the most recent census
- Provision of water and sewer services to residents of the town

On this final point, I'd like to have some clarification from you on how best to structure the language. I don't know at this time how the statutes reference water and sewer services, because I believe that sanitary districts outside the employ of towns provide these services as well. Please contact me by phone or email with any questions or comments you may have.

Best regards,
Derek

Derek Punches
Office of Senator Jerry Petrowski
29th Senate District
(608) 266-2502



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-26377

MES:...

Handwritten initials and signatures: P1, SAC, RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Handwritten signature: gln

1 AN ACT ...; **relating to:** expanding the authority of towns to create tax
2 incremental financing districts.

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.

Under the current law limitations on towns to use tax incremental financing (TIF), a town may create a TID for projects related to tourism, agriculture, manufacturing, or forestry. A town may also use TIF for residential projects, but only to the extent that the residential project has a necessary and incidental relationship to a tourism, agricultural, manufacturing, or forestry project, and for retail projects to the extent that the retail development is related to the retail sale of a product that is produced due to an agricultural, forestry, or manufacturing project.

A town may also create a TID in limited circumstances under which the town enters into a cooperative plan with a city or village under which part or all of the town will be annexed or attached by the city or village.

This bill authorizes certain towns to exercise all of the powers of a city or village to create a TID within the town. To create a TID under the bill, a town must have a population of at least 5,000, the equalized value of all taxable property within the town must be at least \$500 million in the year before the year in which the town proposes to create the TID, and the boundaries of the proposed TID must be within a sewer service area. The bill defines a sewer service area as territory that is specified in an areawide water quality management plan approved by the department of natural resources.

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. 60.23 (32) of the statutes is renumbered 60.23 (32) (a).

2 SECTION 2. 60.23 (32) (b) of the statutes is created to read:

3 60.23 (32) (b) 1. In this paragraph:

4 a. "Department" means the department of natural resources.

5 b. "Sewer service area" means territory specified in the sewer service area
6 provisions of an areawide water quality management plan under s. 283.83 approved
7 by the department.

***NOTE: Does this definition meet your intent? You may want DNR to review this language. Your drafting instructions seem to indicate that you're more concerned about sewer service than water service. If you want to include water service, however, I'm not sure how to do this.

*

One option would be to modify the definition to something like this: 'Sewer and water service area' means territory that is both specified in the sewer service area provisions of an areawide water quality management plan under s. 283.83 approved by the department and that has access to water services under a plan approved by the department."

I'm not sure, however, whether DNR approves water service plans. If you want the definition modified along the lines of this Note, you should check with DNR to see what language they'd suggest that would be consistent with your intent.

LPS: There should be an opening, double quote and an opening single quote. As printed, the single quote mark is a closing one.

Shovers, Marc

From: Fiocchi, Tim
Sent: Monday, October 07, 2013 5:16 PM
To: Shovers, Marc
Cc: Griffiths, Terri; Probst, Nick; Polzin, Cindy M - GOV; Vebber, Lucas
Subject: RE: Changes to LRB 2637

Hi Mark,

In addition to eliminating the effective date we would also like to delete the sewer district requirement. Once you've made those two changes if you could send a /1 draft to us and to Rep. Brooks office ASAP we'd appreciate it.

Thank you,

Tim

From: Shovers, Marc
Sent: Monday, October 07, 2013 11:38 AM
To: Fiocchi, Tim
Subject: RE: Changes to LRB 2637

Hi Tim:

Do you want me to eliminate the effective date and send this bill through and turn it into a /1, or should I wait and see if there will be any additional changes? I've just been holding on to it to see if there are any more changes coming. Thanks.

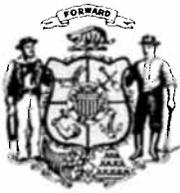
Marc

From: Fiocchi, Tim
Sent: Thursday, October 03, 2013 4:30 PM
To: Shovers, Marc
Subject: Changes to LRB 2637

Hi Marc,

I need to get a /1 draft on this bill with one or possibly two changes depending on an answer I don't yet have. The definite change is the elimination of the delayed effective date. The bill should be effective immediately.

Tim Fiocchi
Chief of Staff, Senator Jerry Petrowski
29th Senate District
(608) 266-2502



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-2637/01

MES:sac:im

1/9/11
RMNR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

today
1 pm

repen

1 AN ACT *to renumber* 60.23 (32); and *to create* 60.23 (32) (b) of the statutes;
2 relating to: expanding the authority of towns to create tax incremental
3 financing districts.

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.

Under the current law limitations on towns to use tax incremental financing (TIF), a town may create a TID for projects related to tourism, agriculture, manufacturing, or forestry. A town may also use TIF for residential projects, but only to the extent that the residential project has a necessary and incidental relationship to a tourism, agricultural, manufacturing, or forestry project, and for retail projects to the extent that the retail development is related to the retail sale of a product that is produced due to an agricultural, forestry, or manufacturing project.

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A town may also create a TID in limited circumstances under which the town enters into a cooperative plan with a city or village under which part or all of the town will be annexed or attached by the city or village.

This bill authorizes certain towns to exercise all of the powers of a city or village to create a TID within the town. To create a TID under the bill, a town must have a population of at least 5,000 and the equalized value of all taxable property within the town must be at least \$500 million in the year before the year in which the town proposes to create the TID. ~~and the boundaries of the proposed TID must be within a sewer service area.~~ The bill defines a sewer service area as territory that is specified in an areawide water quality management plan approved by the department of natural resources.

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. 60.23 (32) of the statutes is renumbered 60.23 (32) (a).

2 SECTION 2. 60.23 (32) (b) of the statutes is created to read:

3 60.23 (32) (b) 1. In this paragraph *of a "town"* go to p. 3, line 1 →

4 a. "Department" means the department of natural resources.

5 b. "Sewer service area" means territory specified in the sewer service area
6 provisions of an areawide water quality management plan under s. 283.83 approved
7 by the department.

****NOTE: Does this definition meet your intent? You may want DNR to review this language. Your drafting instructions seem to indicate that you're more concerned about sewer service than water service. If you want to include water service, however, I'm not sure how to do this.

One option would be to modify the definition to something like this: "Sewer and water service area' means territory that is both specified in the sewer service area provisions of an areawide water quality management plan under s. 283.83 approved by the department and that has access to water services under a plan approved by the department."

I'm not sure, however, whether DNR approves water service plans. If you want the definition modified along the lines of this Note, you should check with DNR to see what language they'd suggest that would be consistent with your intent.

not
~~town~~

1 ~~town~~ means a town in which the equalized value of all taxable property in
2 the town, in the year before the year in which the town adopts a resolution under s.
3 66.1105 (4) (gm), is at least \$500 million.

4 2. Subject to subd. 3., a town with a population of at least 5,000 may exercise
5 all powers of cities under s. 66.1105 to create a tax incremental district ~~in the~~
6 ~~boundaries of the proposed district are within a sewer service area~~ If the town board
7 exercises the powers of a city under s. 66.1105, it is subject to the same duties as a
8 common council under s. 66.1105 and the town is subject to the same duties and
9 liabilities as a city under s. 66.1105.

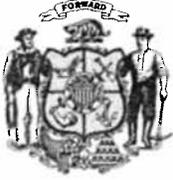
10 3. a. If a town creates a tax incremental district under s. 60.85, the town may
11 not take any action with regard to that district except by acting under s. 60.85.

12 b. If a town creates a tax incremental district under par. (a), the town may not
13 take any action with regard to that district except by acting under par. (a).

14 **SECTION 3. Effective date.**

15 (1) This act takes effect on October 1, 2014.

16 (END)



2013 BILL

1 **AN ACT to amend** 66.1105 (6) (g) 1. a. and 66.1105 (6) (g) 3.; and **to create** 66.1105
 2 (6) (g) 4. and 66.1105 (6) (g) 5. of the statutes; **relating to:** authorizing a high
 3 crime city or village that extends the life of a tax incremental district for one
 4 year to use the tax increments to improve the housing stock in the city or village
 5 and requiring the exercise of rule-making authority.

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

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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.

~~Under current law, a planning commission may adopt an amendment to a project plan, which requires the approval of the common council or village board and the same findings that current law requires for the creation of a new TID. Current law also authorizes the amendment of a project plan up to four times during a TID's existence to change the district's boundaries by adding or subtracting territory.~~

~~In addition, current law authorizes a city or village to extend the life of a TID created by the city or village for one year after all of the TID's project costs have been paid. Under this provision of current law, DOR is required to continue to authorize the allocation of tax increments for the TID as if its project costs had not been paid off, without regard to whether the TID would otherwise not be eligible to receive the increments, and without regard to whether the TID would otherwise be required to terminate. The city or village must use at least 75 percent of the increments received during the TID's extended life to benefit affordable housing in the city or village. The remainder of the increments must be used to improve the quality of the city's or village's existing housing stock.~~

~~Under this bill, a city or village may use 100 percent of the increments received during the TID's extended life to improve the quality of the city's or village's existing housing stock if the city or village declares itself to be, and is determined by DOR to be, a high crime city or village. The bill requires DOR, in consultation with the Department of Justice, to promulgate rules defining a high crime city, and to determine whether a city or village that declares itself to be a high crime city or village meets the standards set in the rules.~~

~~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:

SECTION 1. 66.1105 (6) (g) 1. a. of the statutes is amended to read:

Parisi, Lori

From: Fiocchi, Tim
Sent: Tuesday, October 08, 2013 12:53 PM
To: LRB.Legal
Subject: Draft Review: LRB -2637/1 Topic: Allow certain towns to create tax incremental financing districts (TIDs)

Please Jacket LRB -2637/1 for the SENATE.