



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRB-2146/1  
KP:emw

## 2017 ASSEMBLY BILL 420

June 30, 2017 - Introduced by Representatives GENRICH, STEFFEN, BERCEAU, BOWEN, R. BROOKS, GOYKE, HINTZ, KOOYENGA, SCHRAA, SPREITZER, SPIROS, THIESFELDT and VORPAGEL, cosponsored by Senators LEMAHIEU, HANSEN, FEYEN, RINGHAND and L. TAYLOR. Referred to Committee on Ways and Means.

1     **AN ACT** *to renumber and amend* 66.1109 (3) (c); *to amend* 66.1109 (4); and *to*  
2             *create* 66.1109 (3) (c) 1., 66.1109 (3) (c) 2., 66.1109 (3) (cg) and 66.1109 (3) (cr)  
3             of the statutes; **relating to:** public annual reports of business improvement  
4             districts.

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### *Analysis by the Legislative Reference Bureau*

This bill modifies the current law requirement for the board of a business improvement district (BID) to include an independent certified audit in its annual report describing the current status of the BID. Under current law, based on the receipt of a petition from certain business owners in a designated area of a city, village, or town (municipality), a municipality may create a BID, which consists of contiguous parcels of land. A BID is governed by a board, whose members are appointed by the creating municipality's chief executive officer (mayor, city manager, village president, or town board chair). The board is required to adopt an initial operating plan for the BID, and may make changes to the operating plan each year, subject to the approval of the municipality's governing body.

The creating municipality may impose special assessments on the property in the BID, and may appropriate other money to the BID. All such funds must be placed in a segregated account. Generally, the funds in the account must be spent for the benefit of the BID to put into effect its operating plan, and to pay for certain required audits. Generally, the board determines how such funds are spent. The creating municipality may terminate the BID by following certain procedures that are specified in the statutes.

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The bill requires the board of a BID that had a cash balance of less than \$300,000 at all times during the prior fiscal year to include a reviewed financial statement in its public annual report instead of an independent certified audit. If the cash balance equaled or exceeded \$300,000 at any time during the prior fiscal year, the BID is required to include an independent certified audit in its annual report.

Under the bill, the reviewed financial statement must be prepared in accordance with generally accepted accounting principles and include a review of the financial statement by an independent certified public accountant. Current law requires a BID's board to include an independent certified audit in its mandatory public annual report describing the current status of the BID, irrespective of the cash balance in the BID's segregated account.

For further information see the *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.** 66.1109 (3) (c) of the statutes is renumbered 66.1109 (3) (c) (intro.)  
2 and amended to read:

3           66.1109 **(3)** (c) (intro.) The board shall prepare and make available to the public  
4 annual reports describing the current status of the business improvement district,  
5 including expenditures and revenues. The report shall include ~~an independent~~  
6 ~~certified audit of the implementation of the operating plan obtained by the~~  
7 ~~municipality. The municipality shall obtain an additional independent certified~~  
8 ~~audit upon termination of the business improvement district. one of the following:~~

9           **SECTION 2.** 66.1109 (3) (c) 1. of the statutes is created to read:

10           66.1109 **(3)** (c) 1. If the cash balance in the segregated account described under  
11 sub. (4) equaled or exceeded \$300,000 at any time during the period covered by the  
12 report, the municipality shall obtain an independent certified audit of the  
13 implementation of the operating plan.

14           **SECTION 3.** 66.1109 (3) (c) 2. of the statutes is created to read:

**ASSEMBLY BILL 420****SECTION 3**

1           66.1109 (3) (c) 2. If the cash balance in the segregated account described under  
2           sub. (4) was less than \$300,000 at all times during the period covered by the report,  
3           the municipality shall obtain a reviewed financial statement for the most recently  
4           completed fiscal year. The statement shall be prepared in accordance with generally  
5           accepted accounting principles and include a review of the financial statement by an  
6           independent certified public accountant.

7           **SECTION 4.** 66.1109 (3) (cg) of the statutes is created to read:

8           66.1109 (3) (cg) For calendar years beginning after December 31, 2018, the  
9           dollar amount at which a municipality is required to obtain an independent certified  
10          audit under par. (c) 1. and the dollar amount at which a municipality is required to  
11          obtain a reviewed financial statement under par. (c) 2. shall be increased each year  
12          by a percentage equal to the percentage change between the U.S. consumer price  
13          index for all urban consumers, U.S. city average, for the month of August of the  
14          previous year and the U.S. consumer price index for all urban consumers, U.S. city  
15          average, for the month of August 2017, as determined by the federal department of  
16          labor. Each amount that is revised under this paragraph shall be rounded to the  
17          nearest multiple of \$10 if the revised amount is not a multiple of \$10 or, if the revised  
18          amount is a multiple of \$5, such an amount shall be increased to the next higher  
19          multiple of \$10.

20          **SECTION 5.** 66.1109 (3) (cr) of the statutes is created to read:

21          66.1109 (3) (cr) The municipality shall obtain an additional independent  
22          certified audit of the implementation of the operating plan upon termination of the  
23          business improvement district.

24          **SECTION 6.** 66.1109 (4) of the statutes is amended to read:

**ASSEMBLY BILL 420****SECTION 6**

1           66.1109 (4) All special assessments received from a business improvement  
2 district and all other appropriations by the municipality or other moneys received  
3 for the benefit of the business improvement district shall be placed in a segregated  
4 account in the municipal treasury. No disbursements from the account may be made  
5 except to reimburse the municipality for appropriations other than special  
6 assessments, to pay the costs of audits and reviewed financial statements required  
7 under sub. (3) (c), or on order of the board for the purpose of implementing the  
8 operating plan. On termination of the business improvement district by the  
9 municipality, all moneys collected by special assessment remaining in the account  
10 shall be disbursed to the owners of specially assessed property in the business  
11 improvement district, in the same proportion as the last collected special  
12 assessment.

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(END)