



**ASSEMBLY AMENDMENT 3,
TO SENATE BILL 338**

February 17, 2014 – Offered by Representative STEINEKE.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1, line 3: after “districts” insert “, creating special provisions for a city
3 or village to create a tax incremental district in recently annexed territory, the
4 property tax exemption for biogas or synthetic gas energy systems and property
5 subject to a tax incremental financing agreement, and authorizing a tax incremental
6 district to share tax increments with an environmental remediation tax incremental
7 district in the same city or village”.

8 **2.** Page 3, line 9: after that line, after the material inserted by senate
9 amendment 2 and senate amendment 3, insert:

10 “**SECTION 5s.** 66.1105 (6) (f) 1. (intro.) of the statutes is amended to read:

11 66.1105 (6) (f) 1. (intro.) Not later than the date on which a tax incremental
12 district terminates under sub. (7) (am), a planning commission may amend under
13 sub. (4) (h) the project plan of a tax incremental district to allocate positive tax

1 increments generated by that tax incremental district to another tax incremental
2 district created by that planning commission or to an environmental remediation tax
3 incremental district created under s. 66.1106 by the same governing body if all of the
4 following conditions are met:

5 **SECTION 5u.** 66.1105 (6) (f) 2. d. of the statutes is created to read:

6 66.1105 (6) (f) 2. d. The recipient district is an environmental remediation tax
7 incremental district created under s. 66.1106.

8 **SECTION 6m.** 66.1105 (19) of the statutes is created to read:

9 66.1105 (19) CREATION OF A DISTRICT IN RECENTLY ANNEXED TOWN TERRITORY. (a)
10 *Authorization.* If, within 90 days of annexing town territory, a city holds a hearing
11 under sub. (4) (a) on the proposed creation of a tax incremental district that is to be
12 located in that former town territory, the city may create a tax incremental district
13 under this section subject to the limitations and conditions in this subsection.

14 (b) *Limitations and conditions.* 1. Notwithstanding sub. (7), a district created
15 under this subsection must terminate upon the earlier of 7 years after the district's
16 creation or when the city has received aggregate tax increments with respect to the
17 district in an amount equal to the aggregate of all project costs under the project plan
18 and any amendments to the project plan for the district.

19 2. A district created under this subsection may not allocate positive tax
20 increments to another district as described in sub. (6) (e) or (f).

21 3. The 12 percent limit described in sub. (4) (gm) 4. c. does not apply to a district
22 created under this subsection until 2016.

23 4. Notwithstanding the limit on expenditures described in sub. (6) (am) 1., a
24 district created under this subsection may make expenditures until October 1, 2016.

25 **SECTION 7m.** 66.1106 (1) (i) of the statutes is amended to read:

1 66.1106 (1) (i) “Period of certification” means a period of not more than 23 years
2 beginning after the department certifies the environmental remediation tax
3 incremental base under sub. (4), a period before all eligible costs have been paid, or
4 a period before all eligible costs or project costs of a recipient district designated
5 under sub. (2) (c) have been paid, whichever occurs first.

6 **SECTION 7p.** 66.1106 (2) (c) of the statutes is amended to read:

7 66.1106 (2) (c) Notwithstanding par. (a) or (b), or sub. (7) (d) 1. or (11) (a), if the
8 governing body of a political subdivision determines that all eligible costs of an
9 environmental remediation tax incremental district that it created will be paid
10 before the date specified in sub. (11) (b), the governing body of that political
11 subdivision may adopt a resolution requesting that the department allocate positive
12 environmental remediation tax increments generated by that donor environmental
13 remediation tax incremental district to pay the eligible costs of another
14 environmental remediation tax incremental district created by that governing body
15 or to pay project costs, as defined in s. 66.1105 (2) (f), of a tax incremental district
16 created under s. 66.1105 and located in the same overlying taxing jurisdictions and
17 that satisfies one of the requirements under s. 66.1105 (6) (f) 2. A resolution under
18 this paragraph must be adopted before the expiration of the period of certification.

19 **SECTION 7s.** 66.1106 (7) (e) (intro.) of the statutes is amended to read:

20 66.1106 (7) (e) (intro.) Notwithstanding par. (d), if the governing body of a
21 political subdivision adopts a resolution described in sub. (2) (c), it shall provide a
22 copy of the resolution to the department. The department shall authorize a positive
23 environmental remediation tax increment generated by a donor district, as described
24 in sub. (2) (c), to the political subdivision that incurred eligible costs to remediate
25 environmental pollution in another district within that political subdivision or that

1 incurred project costs, as defined in s. 66.1105 (2) (f), for a tax incremental district
2 within that political subdivision that was created under s. 66.1105 and that satisfies
3 one of the requirements under s. 66.1105 (6) (f) 2., as described in sub. (2) (c), until
4 the earlier of the following occurs:

5 **SECTION 7u.** 66.1106 (7) (e) 1. of the statutes is amended to read:

6 66.1106 (7) (e) 1. The political subdivision has received aggregate
7 ~~environmental remediation~~ tax increments with respect to the recipient district in
8 an amount equal to the aggregate of all of the eligible costs or project costs for that
9 district.

10 **SECTION 7w.** 66.1106 (7) (e) 2. of the statutes is amended to read:

11 66.1106 (7) (e) 2. The donor district terminates under sub. (11) (b) or 66.1105
12 (7).

13 **SECTION 8m.** 70.111 (18) of the statutes, as affected by 2013 Wisconsin Act 20,
14 is amended to read:

15 70.111 (18) ENERGY SYSTEMS. Biogas or synthetic gas energy systems, solar
16 energy systems, and wind energy systems. In this subsection, “biogas or synthetic
17 gas energy system” means equipment which directly converts biomass, as defined
18 under section 45K (c) (3) of the Internal Revenue Code, as interpreted by the Internal
19 Revenue Service, into biogas or synthetic gas, equipment which generates electricity,
20 heat, or compressed natural gas exclusively from biogas or synthetic gas, equipment
21 which is used exclusively for the direct transfer or storage of biomass, biogas, or
22 synthetic gas, and any structure used exclusively to shelter or operate such
23 equipment, or the portion of any structure used in part to shelter or operate such
24 equipment that is allocable to such use, if all such equipment, and any such
25 structure, is located at the same site, and includes manure, substrate, and other

1 feedstock collection and delivery systems, pumping and processing equipment,
2 gasifiers and digester tanks, biogas and synthetic gas cleaning and compression
3 equipment, fiber separation and drying equipment, and heat recovery equipment,
4 but does not include equipment or components that are present as part of a
5 conventional energy system. In this subsection, “synthetic gas” is a gas that qualifies
6 as a renewable resource under s. 196.378 (1) (h) 1. h. In this subsection, “solar energy
7 system” means equipment which directly converts and then transfers or stores solar
8 energy into usable forms of thermal or electrical energy, but does not include
9 equipment or components that would be present as part of a conventional energy
10 system or a system that operates without mechanical means. In this subsection,
11 “wind energy system” means equipment which converts and then transfers or stores
12 energy from the wind into usable forms of energy, but does not include equipment or
13 components that would be present as part of a conventional energy system. Until the
14 tax incremental district terminates, the exemption under this subsection for biogas
15 or synthetic gas energy systems does not apply to property in existence on January
16 1, 2014, and located in a tax incremental financing district in effect on January 1,
17 2014.

18 **SECTION 9m. Initial applicability.**

19 (1) The treatment of section 70.111 (18) of the statutes first applies to the
20 property tax assessments as of January 1, 2014.”.

21 (END)