



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2013 Assembly Bill 129

Assembly Amendment 1

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CURRENT LAW

Tax incremental financing (TIF) is a tool that municipalities often use to spur economic development. The TIF process allows municipalities to pay for public improvements within a designated portion of the municipality, called a tax incremental district (TID), using the future taxes collected on the district's increased property value to repay the cost of the improvements. The rationale behind TIF is that the municipality's public improvements will encourage development, accompanied by an increase in property value that would not have otherwise occurred.

In general, incremental levies for a TID may be collected for no more than 20, 23, or 27 years and a city or village may not generally make expenditures for project costs later than five years before the unextended termination date of the TID. In addition, a local planning commission may generally amend the project plan of a TID, by adding or subtracting territory from the district, not more than four times during the TID's existence.

2013 ASSEMBLY BILL 129

2013 Assembly Bill 129 makes the following changes to the TIF law, specific to TID #3 in the City of Wausau:

- Allows the local planning commission to amend the project plan of TID #3 in the City of Wausau, by adding or subtracting territory from the district, up to five times.
- Extends the life of the TID from 27 years to 37 years after it was created.
- Extends the time limits for incurring project costs for the TID by allowing the district to incur project costs for an additional 15 years, or though the TID's termination in 2031.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 to 2013 Assembly Bill 129 provides that the expenditure period of the TID would last for a period of 32 years after it was created, which is 5 years before the termination of the TID, rather than 37 years, which is specified in the bill.

BILL HISTORY

On May 29, 2013, the Assembly Committee on State and Local Finance recommended adoption of Assembly Amendment 1 on a vote of Ayes, 8; Noes, 0; and recommended passage of the bill, as amended, by the same vote.

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