



2015 ASSEMBLY BILL 940

February 23, 2016 – Introduced by Representative SPIROS, cosponsored by Senator PETROWSKI. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 66.1105 (4) (gm) 4. c. and 66.1105 (4) (h) 2. of the statutes;
2 **relating to:** calculating the allowable number of amendments that a
3 municipality may make to a tax incremental district’s project plan and creating
4 an exception to certain requirements in the amendment of such a district’s plan.

Analysis by the Legislative Reference Bureau

This bill changes the method of calculating the maximum number of project plan amendments to a tax incremental financing district’s (TID’s) project plan and creates an exception to the 12 percent test. Generally under current law, a planning commission may amend a TID’s project plan to add or subtract territory from a TID a maximum of four times during the TID’s life. A single amendment, which both adds and subtracts territory, is counted as one amendment of a project plan.

Under this bill, an amendment to a project plan that subtracts territory does not count toward the maximum number of allowable amendments to a project plan. As under current law, a single amendment which both adds and subtracts territory is still counted as one amendment.

Currently, before a TID may be created or its project plan amended, the city or village must adopt a resolution containing a finding that the equalized value of taxable property of the TID plus the value increment of all existing TIDs does not exceed 12 percent of the total equalized value of taxable property in the city or village (the “12 percent test”), subject to one general exception. Under the exception, a city or village may simultaneously create a new TID and subtract territory from an existing TID without adopting a resolution containing the 12 percent test if the city

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or village demonstrates to DOR that the value of the territory that is subtracted at least equals the amount that DOR believes is necessary to ensure that, when the new TID is created, the 12 percent test is met. The city or village must also certify to DOR that no other TID created under this exception currently exists in the city or village.

Under this bill, an amendment to a project plan which only subtracts territory from a TID is not subject to the 12 percent test.

For further information see the *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 (4) (gm) 4. c. of the statutes is amended to read:

2 66.1105 (4) (gm) 4. c. Except as provided in par. (h) 2. and subs. (10) (c), (16)
3 (d), (17), and (18) (c) 3., the equalized value of taxable property of the district plus
4 the value increment of all existing districts does not exceed 12 percent of the total
5 equalized value of taxable property within the city. In determining the equalized
6 value of taxable property under this subd. 4. c. or sub. (17) (c), the department of
7 revenue shall base its calculations on the most recent equalized value of taxable
8 property of the district that is reported under s. 70.57 (1m) before the date on which
9 the resolution under this paragraph is adopted. If the department of revenue
10 determines that a local legislative body exceeds the 12 percent limit described in this
11 subd. 4. c. or sub. (17) (c), the department shall notify the city of its noncompliance,
12 in writing, not later than December 31 of the year in which the department receives
13 the completed application or amendment forms described in sub. (5) (b).

14 **SECTION 2.** 66.1105 (4) (h) 2. of the statutes is amended to read:

15 66.1105 (4) (h) 2. ~~Except as provided in subs. 4., 5., 7., 8., 9., and 10., the~~ The
16 planning commission may adopt an amendment to a project plan under subd. 1. to
17 modify the district's boundaries, ~~not more than 4 times during the district's~~
18 ~~existence~~, by subtracting territory from the district in a way that does not remove

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1 contiguity from the district or by adding territory to the district that is contiguous
2 to the district and that is served by public works or improvements that were created
3 as part of the district's project plan. An amendment to a project plan which only
4 subtracts territory, as described under this subdivision, is not subject to the 12
5 percent limit findings requirement under par. (gm) 4. c. Except as provided in subds.
6 4., 5., 7., 8., 9., and 10., the maximum number of times that a planning commission
7 may adopt an amendment to a project plan under subd. 1. to modify the district's
8 boundaries by adding territory to the district, as described in this subdivision, is 4
9 times during the district's existence. A single amendment to a project plan that both
10 adds and subtracts territory shall be counted under this subdivision as one
11 amendment of a project plan.

SECTION 3. Initial applicability.

12
13 (1) This act first applies to a planning commission's adoption of an amendment
14 to add territory to a district, or a single amendment that both adds and subtracts
15 territory, that takes effect on the effective date of this subsection.

16 (END)