

State of Wisconsin



2013 Senate Bill 252

Date of enactment: April 2, 2014
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2013 WISCONSIN ACT 183

AN ACT *to amend* 66.1105 (4m) (a), 66.1105 (4m) (b) 1., 66.1105 (4m) (b) 2. and 66.1105 (5) (a); and *to create* 66.1105 (2) (aj), 66.1105 (5) (h) and 66.1105 (5) (i) of the statutes; **relating to:** authorizing a city or village to require the Department of Revenue to redetermine the value of the tax incremental base of certain tax incremental districts.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 66.1105 (2) (aj) of the statutes is created to read:

66.1105 (2) (aj) "Decrement situation" means a situation in which the aggregate value, as equalized by the department of revenue, of all taxable property located within a tax incremental district on or about the date on which a resolution is adopted under sub. (5) (h) 1. is at least 10 percent less than the current tax incremental base of that district.

SECTION 2. 66.1105 (4m) (a) of the statutes is amended to read:

66.1105 (4m) (a) Any city that seeks to create a tax incremental district, amend a project plan, have a district's tax incremental base redetermined under sub. (5) (h), or incur project costs as described in sub. (2) (f) 1. n. for an area that is outside of a district's boundaries, shall convene a temporary joint review board under this paragraph, or a standing joint review board under sub. (3) (g), to review the proposal. Except as provided in par. (am) and (as), and subject to par. (ae), the board shall consist of one representative chosen by the school district that has power to levy taxes on the property within the tax incremental district, one representative chosen by the technical college district that has power to levy taxes on

the property within the tax incremental district, one representative chosen by the county that has power to levy taxes on the property within the tax incremental district, one representative chosen by the city, and one public member. If more than one school district, more than one union high school district, more than one elementary school district, more than one technical college district or more than one county has the power to levy taxes on the property within the tax incremental district, the unit in which is located property of the tax incremental district that has the greatest value shall choose that representative to the board. The public member and the board's chairperson shall be selected by a majority of the other board members before the public hearing under sub. (4) (a) or (h) 1. is held. All board members shall be appointed and the first board meeting held within 14 days after the notice is published under sub. (4) (a) or (h) 1. Additional meetings of the board shall be held upon the call of any member. The city that seeks to create the tax incremental district, amend its project plan, have a district's tax incremental base redetermined under sub. (5) (h), or make or incur an expenditure as described in sub. (2) (f) 1. n. for an area that is outside of a district's boundaries shall provide administrative support for the board. By majority vote, the board may disband following approval or rejection of the proposal, unless the board is a standing board that is created by the city under sub. (3) (g).

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

SECTION 3. 66.1105 (4m) (b) 1. of the statutes is amended to read:

66.1105 (4m) (b) 1. The board shall review the public record, planning documents and the resolution passed by the local legislative body or planning commission under sub. (4) (gm) or (h) 1., or sub. (5) (h) 1. As part of its deliberations the board may hold additional hearings on the proposal.

SECTION 4. 66.1105 (4m) (b) 2. of the statutes is amended to read:

66.1105 (4m) (b) 2. Except as provided in subd. 2m., no tax incremental district may be created and no project plan may be amended unless the board approves the resolution adopted under sub. (4) (gm) or (h) 1., and no tax incremental base may be redetermined under sub. (5) (h) unless the board approves the resolution adopted under sub. (5) (h) 1. by a majority vote within 30 days after receiving the resolution. With regard to a multijurisdictional tax incremental district created under this section, each public member of a participating city must be part of the majority that votes for approval of the resolution or the district may not be created. The board may not approve the resolution under this subdivision unless the board's approval contains a positive assertion that, in its judgment, the development described in the documents the board has reviewed under subd. 1. would not occur without the creation of a tax incremental district. The board may not approve the resolution under this subdivision unless the board finds that, with regard to a tax incremental district that is proposed to be created by a city under sub. (17) (a), such a district would be the only existing district created under that subsection by that city.

SECTION 5. 66.1105 (5) (a) of the statutes is amended to read:

66.1105 (5) (a) Subject to sub. (8) (d), upon the creation of a tax incremental district ~~or~~, upon adoption of any amendment subject to par. (c), or upon the adoption and approval of a resolution under par. (h), its tax incremental base shall be determined or redetermined as soon as reasonably possible. The department of revenue may impose a fee of \$1,000 on a city to determine or redetermine the tax incremental base of a tax incremental district under this subsection, except that if the redetermination is based on a single amendment to a project plan that both adds and subtracts territory, the department may impose a fee of \$2,000.

SECTION 6. 66.1105 (5) (h) of the statutes is created to read:

66.1105 (5) (h) 1. Subject to subds. 2. and 3. and par. (i), a local legislative body may adopt a resolution requiring the department of revenue to redetermine the tax incremental base of a district that is in a decrement situation that has continued for at least 2 consecutive years.

2. A resolution adopted under subd. 1. may not take effect unless it is approved by a joint review board under sub. (4m), acting as it would if the district's project plan was to be amended.

3. A local legislative body may not adopt a resolution under subd. 1. more than once during the life of a tax incremental district.

4. Upon approval by a joint review board under subd. 2., the department of revenue shall redetermine the tax incremental base of the district under par. (a).

SECTION 7m. 66.1105 (5) (i) of the statutes is created to read:

66.1105 (5) (i) 1. Before a local legislative body may adopt a resolution described in par. (h) 1., the local legislative body must complete a financial analysis, as described in subd. 2, and must amend the project plan so that at least one of the items specified in subd. 3., 4., or 5. occurs. The starting point for determining a tax incremental district's remaining life, under subds. 4. and 5., is the date on which the joint review board acts under par. (h) 2. and approves the resolution.

2. The local legislative body shall conduct a financial analysis of the tax incremental district that includes, in addition to the items specified in sub. (4) (f) and (i) 1., the annual and total amount of tax increments to be generated over the life of the district, and the annual debt service costs on bonds issued by the city. If the city does not have the expertise to complete the requirements of this subdivision, it shall hire an entity which has the needed expertise to complete the financial analysis.

3. The project plan specifies that, with regard to the total value of public infrastructure improvements in the district that occur after approval by the joint review board under par. (h) 2., at least 51 percent of the value of such improvements must be financed by a private developer, or other private entity, in return for the city's agreement to repay the developer or other entity for those costs solely through the payment of cash grants as described in sub. (2) (f) 2. d. To receive the cash grants, the developer or other private entity must enter into a development agreement with the city as described in sub. (2) (f) 2. d.

4. The project plan specifies that the city expects all project costs to be paid within 90 percent of the tax incremental district's remaining life, based on the district's termination date as calculated under sub. (7) (ak) to (au).

5. The project plan specifies that expenditures may be made only within the first half of the tax incremental district's remaining life, based on the district's termination date as calculated under sub. (7) (ak) to (au), except that expenditures may be made after this period if the expenditures are approved by a unanimous vote of the joint review board. No expenditure under this subdivision may be made later than the time during which an expenditure may be made under sub. (6) (am).