



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-5171/1
SWB:amn

2021 ASSEMBLY BILL 913

January 28, 2022 - Introduced by Representatives PLUMER, HESSELBEIN, SKOWRONSKI and SPREITZER, cosponsored by Senators TESTIN and ERPENBACH. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 66.1105 (4) (h) 2. and 66.1105 (7) (am) 3.; and **to create** 66.1105
2 (4) (h) 9m., 66.1105 (6) (a) 10m., 66.1105 (6) (am) 2. er. and 66.1105 (7) (am) 10.
3 of the statutes; **relating to:** extending the time during which tax increments
4 may be allocated and expenditures for project costs may be made, extending the
5 maximum life, and increasing the number of allowed amendments to modify
6 the boundaries for Tax Incremental District Number 5 in the city of Middleton.

Analysis by the Legislative Reference Bureau

This bill extends by 10 years the life and the periods during which tax increments may be allocated and expenditures for project costs may be made for a tax incremental district, or TID, in the city of Middleton, specifically TID Number 5. The bill also increases the number of allowed amendments to modify the boundaries of this TID.

Under current law, when a city or village creates a TID, the Department of Revenue calculates the “tax incremental base” value of the TID, which is the equalized value of all taxable property within the TID at its creation. If the development in the TID increases the value of the property in the TID above the base value, a “value increment” is created. The portion of the property taxes received from the TID that is attributable to the TID’s value increment is called a “tax increment.” The tax increment is placed in a special fund that may be used only to pay back the TID project costs. DOR authorizes the allocation of the tax increments until the TID

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terminates or, generally, 20 years, 23 years, or 27 years after the TID is created depending on the type of TID and the year in which it was created. Also under current law, a city or village may not generally make expenditures for project costs later than five years before the TID's unextended termination date. Under certain circumstances, the life of the TID, the expenditure period, and the allocation period may be extended. Also, with some exceptions, under current law, a planning commission may amend a project plan no more than four times during a TID's existence.

Under this bill, tax increments may be allocated for TID Number 5 in the city of Middleton until August 4, 2046, which is 37 years after the TID's creation; the expenditures for project costs may be made for up to 32 years after the TID was created, through August 4, 2041, and the maximum life is extended by 10 years to August 4, 2046. The bill also increases the number of allowed amendments to modify the boundaries of TID Number 5 from four to seven.

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) (h) 2. of the statutes is amended to read:

2 66.1105 (4) (h) 2. Except as provided in subds. 4., 5., 7., 8., 9., 9m., 10., and 11.,
3 the planning commission may adopt an amendment to a project plan under subd. 1.
4 to modify the district's boundaries, not more than 4 times during the district's
5 existence, by subtracting territory from the district in a way that does not remove
6 contiguity from the district or by adding territory to the district that is contiguous
7 to the district and that is served by public works or improvements that were created
8 as part of the district's project plan. A single amendment to a project plan that both
9 adds and subtracts territory shall be counted under this subdivision as one
10 amendment of a project plan.

11 **SECTION 2.** 66.1105 (4) (h) 9m. of the statutes is created to read:

12 66.1105 (4) (h) 9m. Notwithstanding the limitation in subd. 2., the planning
13 commission in the city of Middleton may adopt an amendment to a project plan under

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1 subd. 1. to modify the boundaries of Tax Incremental District Number 5 not more
2 than 7 times during the district's existence. A single amendment to a project plan
3 that both adds and subtracts territory shall be counted under this subdivision as one
4 amendment of a project plan.

5 **SECTION 3.** 66.1105 (6) (a) 10m. of the statutes is created to read:

6 66.1105 (6) (a) 10m. Thirty-seven years after the tax incremental district is
7 created if the district is Tax Incremental District Number 5 in the city of Middleton.

8 **SECTION 4.** 66.1105 (6) (am) 2. er. of the statutes is created to read:

9 66.1105 (6) (am) 2. er. Expenditures for project costs for Tax Incremental
10 District Number 5 in the city of Middleton. Such expenditures may be made no later
11 than 32 years after the district is created and may be made through 2041.

12 **SECTION 5.** 66.1105 (7) (am) 3. of the statutes is amended to read:

13 66.1105 (7) (am) 3. Except as provided in subds. 4. ~~and~~, 8., and 10., for a district
14 that is created after September 30, 2004, about which a finding is made under sub.
15 (4) (gm) 4. a. that not less than 50 percent, by area, of the real property within the
16 district is a blighted area or in need of rehabilitation, 27 years after the district is
17 created, except that the city that created the district may, subject to sub. (8) (e),
18 request that the joint review board extend the life of the district for an additional 3
19 years. Along with its request for a 3-year extension, the city may provide the joint
20 review board with an independent audit that demonstrates that the district is unable
21 to pay off its project costs within the 27 years after the district is created. The joint
22 review board may deny or approve a request to extend the life of the district for 3
23 years if the request does not include the independent audit, and the board shall
24 approve a request to extend the life of the district for 3 years if the request includes
25 the audit. If the joint review board extends the district's life, the district shall

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1 terminate at the earlier of the end of the extended period or the period specified in
2 par. (a). For a tax incremental district created after March 3, 2016, the termination
3 date for a district to which this subdivision applies shall either be increased by one
4 year beyond the otherwise applicable termination date under this subdivision if that
5 district's project plan is adopted under sub. (4) (g) after September 30 and before May
6 15, or shall be the period specified in par. (a), whichever is earlier.

7 **SECTION 6.** 66.1105 (7) (am) 10. of the statutes is created to read:

8 66.1105 (7) (am) 10. For Tax Incremental District Number 5 in the city of
9 Middleton, 37 years after the district is created.

10 (END)