

1999 DRAFTING REQUEST

Bill

Received: **09/23/1999**

Received By: **shoveme**

Wanted: **Soon**

Identical to LRB:

For: **John La Fave (608) 266-0486**

By/Representing: **Judy Kelly**

This file may be shown to any legislator: **NO**

Drafter: **shoveme**

May Contact:

Alt. Drafters:

Subject: **Munis - tax incrmntal financing**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Tax incremental financing district deadline extension

Instructions:

See Attached. Extend increment sharing deadline for Glendale from 2002 to 2016, which was done for Oshkosh.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	shoveme 09/23/1999	chanaman 09/23/1999	martykr 09/24/1999	_____	lrb_docadmin 09/24/1999	lrb_docadminLocal 09/27/1999	

FE Sent For:

10/4/99

<END>

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FE Sent For:

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CITY OF GLENDALE
ADMINISTRATIVE OFFICES

5909 North Milwaukee River Parkway
Glendale, Wisconsin 53209-3815
(414) 228- 1705

September 17, 1999

State Senator Alberta Darling
State Capitol
P. O. Box 7882
Madison, WI 53707-7882

State Representative John LaFave
State Capitol
P. O. Box 8952
Madison, WI 53708

Re: Request for State Legislative Assistance

Dear Senator Darling and Representative LaFave:

As I am sure both of you know, the City of Glendale and its Community Development Authority is near completion on its very ambitious, and thus far successful, redevelopment of West Silver Spring Drive. This multi-million dollar effort (to be precise \$21 million) has been committed by the City in an effort to renew and expand the tax base, employment base and stabilize the residential growth in the area. One of the major problems faced by the City in completing this task is the presence of major environmental remediation costs. Although some of these costs were anticipated and we have had success in working with the Wisconsin Department of Natural Resources, the Wisconsin Department of Commerce and the United States Environmental Protection Agency, additional legislative assistance is being required and requested.

With the support and cooperation of the Wisconsin Department of Natural Resources, the City of Glendale is requesting your assistance in amending Section 66.46(6)(dm)4. This section reads "This paragraph, with regard to a city that is described in subd 3.a., does not apply after January 1, 2002." Subd. 3.a. specifically was legislatively amended for the City of Glendale regarding the ability to transfer tax increments from other TIF districts into the Silver Spring district for environmental remediation (see attached). We are requesting that this date be changed to January 1, 2016, as was done for Oshkosh. This change will not have any fiscal impact on the State of Wisconsin anything.

In addition, at the suggestion of WDNR, we are requesting that the City of Glendale be added to the Sustainable Urban Development Zone Program for brownfield remediation. Attached is a copy of the current legislation being considered by Joint Finance. We are requesting that Glendale be added to this program and that the amount of \$500,000 be made available to the City

BILL REQUEST FORM

LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street

Use of this form is optional. It is often better to talk directly with the LRB attorney who will draft the bill.

Use this form only for **BILL** drafts. Attach more pages if necessary.

Legislator, agency or other body requesting this draft: REP LAFAVE

Date: 9-22-99 Person submitting request (name, phone number): JUDY KELLY 6-0486

Persons to contact for questions about this draft (names, phone numbers): ## (above)

Describe the problem, including any helpful examples. *See letter attached from City of Glendale*

How do you want to solve the problem?

Change statute 66.46 (6)(dm) 4 as follows
66.46(6)(dm)4.

4. This paragraph, with regard to a city that is described in subd. 3. a. does not apply after January 1, ~~2002~~ 2016

Please attach a copy of any correspondence or other material that may help us.

If you know of any statute sections that might be affected, list them or provide a marked-up (not retyped) copy.

You may attach a marked-up (not retyped) copy of any LRB draft, or provide its number (e.g., 1995 LRB-2345/1 or 1993 AB-67):

Requests are confidential unless stated otherwise.

● May we tell others that we are working on this for you? Yes No

● If yes: Anyone who asks? Yes No Any legislator? Yes No Only the following persons: _____

Do you consider this request urgent? Yes No If yes, please indicate why: _____

Should we give this request priority over any other pending request of this legislator, agency or body? Yes No If yes, sign your name here:
John LaFave



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-3660/7
MES. *cmly*

RMR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

SOON

gem

- 1 AN ACT ...; **relating to:** expanding the time period for tax increment sharing that
- 2 may be made by a tax incremental district created by the city of Glendale.

Analysis by the Legislative Reference Bureau

Under the current tax incremental financing program, a city or village may create a tax incremental district (TID) in part of its territory to foster development if at least 50% of the area to be included in the TID is blighted, in need of rehabilitation or suitable for industrial sites. Before a city or village may create a TID, several steps and plans are required. These steps and plans include public hearings on the proposed TID, preparation and adoption by the local planning commission of a proposed project plan for the TID, approval of the proposed project plan by the common council or village board and creation by the city or village of a joint review board to review the proposal. The joint review board, which is made up of representatives of the overlying taxing jurisdictions of the proposed TID, must approve the project plan or the TID may not be created. If an existing TID project plan is amended by a planning commission, these steps are also required.

Also under current law, once a TID has been created, the department of revenue (DOR) calculates the "tax increment base value" of the TID, which is the equalized value of all taxable property within the TID at the time of 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. That portion of taxes collected on the value increment in excess of the base value is called a "tax increment". The tax increment is placed into a special fund that may only be used to pay back the costs of the TID. The costs of a TID, which are initially incurred by the creating city or village, include

public works such as sewers, streets and lighting systems; financing costs; site preparation costs; and professional service costs. DOR authorizes the allocation of the tax increments until the TID terminates or 23 years, or 27 years in certain cases, after the TID is created, whichever is sooner. TIDs are required to terminate, under current law and with one exception, once these costs are paid back, 16 years, or 20 years in certain cases, after the last expenditure identified in the project plan is made or when the creating city or village dissolves the TID, whichever occurs first.

The exception under which a TID need not terminate after its costs are paid back applies to certain situations in which a planning commission shares, or allocates, positive tax increments generated by a TID whose costs are paid back to another TID created by the same city or village. Increment sharing may occur if soil affected by environmental pollution exists in a TID to the extent that development has not been able to proceed according to the project plan because of the environmental pollution. Environmental pollution increment sharing exceptions apply to the city of Oshkosh and the city of Glendale. The exception for Oshkosh applies until January 1, 2016 and the exception for Glendale applies until January 1, 2002.

This bill extends the exception for the city of Glendale until January 1, 2016.

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. 66.46 (6) (dm) 4. of the statutes is amended to read:

2 66.46 (6) (dm) 4. This paragraph, with regard to a city that is described in subd.

3 3. a., does not apply after January 1, ~~2002~~ 2016.

History: 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252.

4 (END)

**SUBMITTAL
FORM**

LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 09/24/1999

To: Representative La Fave

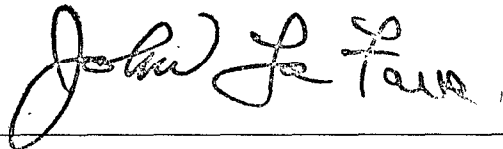
Relating to LRB drafting number: LRB-3660

Topic

Tax incremental financing district deadline extension

Subject(s)

Munis - tax incremental financing



1. **JACKET** the draft for introduction _____

in the **Senate** _____ or the **Assembly** (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached _____.

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____.

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Marc E. Shovers, Senior Legislative Attorney
Telephone: (608) 266-0129