

**1999 DRAFTING REQUEST**

**Bill**

Received: **10/26/98**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-5468**

By/Representing: **Ziegler**

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

Drafter: **shoveme**

May Contact:

Alt. Drafters:

Subject: **Munis - tax incrmntal financing**

Extra Copies:

**Topic:**

DOA:.....Ziegler - Joint review board members, environmental remediation TIF districts

**Instructions:**

See Attached.

**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>
/P1	shoveme 11/9/98	gilfokm 11/10/98	hhagen 11/10/98	_____	lrb_docadmin 11/10/98		

FE Sent For:

<END>

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/P1	shoveme	AP1-11-10 Kmg	HJ/11/10	HJ/V/11/10	submit		

FE Sent For:

<END>

Wisconsin Department of Revenue  
Division of Research and Analysis  
Bureau of Local Fiscal Policy

July 22, 1998

TITLE: Environmental Remediation TIF District: Joint Review Board

#### DESCRIPTION OF CURRENT LAW AND PROBLEM

Under current law environmental remediation tax incremental finance (TIF) districts may be created by counties and towns in addition to villages and cities. The provision regarding the make-up of the joint review board (JRB) is borrowed from TIF law language that applied only to cities and villages. It specifies that the JRB is to consist of one public member and one representative from the school district, technical college, county, and the political subdivision. By this language, a county that created an environmental remediation TIF district could have 2 representatives on the JRB while the municipality would have none.

#### RECOMMENDATION FOR ACTION

Amend s. 66.462(3)(a) to clarify that the JRB consist of one representative from each of the taxing jurisdictions that has power to levy taxes on the property in the environmental remediation TIF district.

#### FISCAL/ADMINISTRATIVE IMPACT

The proposal would implement the legislative intent which is to ensure that the municipality is represented on the JRB.

#### DRAFTING INSTRUCTIONS

In the 2<sup>nd</sup> sentence of s. 66.462(3)(a) replace the reference to the political subdivision with "town, village or city that has power to levy taxes on the property remediated".

In the 3<sup>rd</sup> sentence of s. 66.462(3)(a) insert "more than one town, village or city" before "one school district".

#### EFFECTIVE DATE OR INITIAL APPLICABILITY

Upon enactment.

PERSON TO CONTACT: Rebecca Boldt, 266-6785

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State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0772/P1

MES.....

*King & CMH*

DOA:.....Ziegler – Joint review board members, environmental remediation  
TIF districts

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

*500N*

*do not gen*

1 AN ACT *relating to:* the membership of a joint review board in certain  
2 environmental remediation tax incremental financing districts.

*Analysis by the Legislative Reference Bureau*

**LOCAL GOVERNMENT**

**OTHER LOCAL GOVERNMENT**

Under current law, a city, village, town or county (political subdivision) may create an environmental remediation tax incremental district (ERTID) to defray the costs of remediating contaminated property that is owned by the political subdivision. The mechanism for financing costs that are eligible for remediation is very similar to the mechanism under the tax incremental financing (TIF) program. If the remediated property is transferred to another person and is then subject to property taxation, environmental remediation (ER) tax incremental financing may be used to allocate some of the property taxes that are levied on the property to the political subdivision to pay for the costs of remediation.

A political subdivision that has incurred "eligible costs" to remediate environmental pollution on a parcel of property may apply to ~~DOR~~ to certify the "environmental remediation tax incremental base" (ERTIB) of the parcel, which is the equalized value of a parcel of real property as of the January 1 preceding the date on which the department of natural resources (DNR) certifies that environmental pollution on the property has been remediated in accordance with DNR rules. ~~DOR~~

*the department of  
revenue*

is required to certify the ERTIB if the political subdivision submits to DOR all of the following: 1) a statement that the political subdivision has incurred eligible costs, detailing the purpose and amount of the expenditures, and including certification of (DNR) that the ER has been completed; 2) a statement that all taxing jurisdictions with authority to levy general property taxes on the parcel of property have been notified that the political subdivision intends to recover its ER costs by using an "ER tax increment"; and 3) a statement that the political subdivision has attempted to recover its ER costs from the responsible party.

"Eligible costs" are capital costs, financing costs and administrative and professional service costs for the removal, containment or monitoring of, or the restoration of soil or groundwater affected by, environmental pollution. Eligible costs are reduced by any amounts received from persons responsible for the discharge of a hazardous substance on the property to pay remediation costs and by the amount of net gain on the sale of the property by the political subdivision. The "ERTIB" of the property is the property's equalized value as of the January 1 preceding the date on which DNR certifies that the property has been properly remediated.

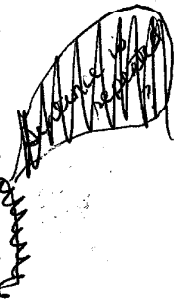
Before the political subdivision may use ER tax incremental financing, however, it must create a joint review board that is similar to the current law tax incremental district (TID) joint review board, or a city or village may use an existing TID joint review board, to review the political subdivision's proposal to remediate environmental pollution. If the joint review board approves the proposal, the political subdivision may proceed with its plan. An ERTID joint review board is made up of one representative chosen by the school district that has power to levy taxes on the property that is remediated, one representative chosen by the technical college district that has power to levy taxes on the property, one representative chosen by the county that has power to levy taxes on the property that is remediated, one representative chosen by the political subdivision and one public member.

This bill changes current law by clarifying that the joint review board consists of one representative from each of the taxing jurisdictions that has power to levy taxes on the property in the ERTID.

Also under current law, if more than one school district, more than one technical college district or more than one county has the power to levy taxes on the property that is remediated, the unit in which is located property that has the greatest value shall choose that representative to the board. Under the bill, a similar provision is made if more than one city, village or town has the power to levy taxes on the property that is remediated.

*the department of natural resources*

*who are*




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

1

SECTION 1. 66.462 (3) (a) of the statutes is amended to read:

1           66.462 (3) (a) Any political subdivision that seeks to use an environmental  
2 remediation tax increment under sub. (2) shall convene a joint review board to review  
3 the proposal. The board shall consist of one representative chosen by the school  
4 district that has power to levy taxes on the property that is remediated, one  
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9 remediated and one public member. If more than one city, village or town, more than  
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11 has the power to levy taxes on the property that is remediated, the unit in which is  
12 located property that has the greatest value shall choose that representative to the  
13 board. The public member and the board's chairperson shall be selected by a majority  
14 of the other board members at the board's first meeting. All board members shall be  
15 appointed and the first board meeting held within 14 days after the political  
16 subdivision's governing body approves the written proposal under sub. (2).  
17 Additional meetings of the board shall be held upon the call of any member. The  
18 political subdivision that seeks to act under sub. (2) shall provide administrative  
19 support for the board. By majority vote, the board may disband following approval  
20 or rejection of the proposal.

History: 1997 a. 27.

21

(END)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0772/P1  
MES:kmg&cmh:hmh

DOA:.....Ziegler – Joint review board members, environmental remediation  
TIF districts

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

- 1 AN ACT ...; relating to: the membership of a joint review board in certain  
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*Analysis by the Legislative Reference Bureau*

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Under current law, a city, village, town or county (political subdivision) may create an environmental remediation tax incremental district (ERTID) to defray the costs of remediating contaminated property that is owned by the political subdivision. The mechanism for financing costs that are eligible for remediation is very similar to the mechanism under the tax incremental financing (TIF) program. If the remediated property is transferred to another person and is then subject to property taxation, environmental remediation (ER) tax incremental financing may be used to allocate some of the property taxes that are levied on the property to the political subdivision to pay for the costs of remediation.

A political subdivision that has incurred "eligible costs" to remediate environmental pollution on a parcel of property may apply to the department of revenue (DOR) to certify the "environmental remediation tax incremental base" (ERTIB) of the parcel. DOR is required to certify the ERTIB if the political subdivision submits to DOR all of the following: 1) a statement that the political subdivision has incurred eligible costs, detailing the purpose and amount of the

expenditures, and including certification of the department of natural resources (DNR) that the ER has been completed; 2) a statement that all taxing jurisdictions with authority to levy general property taxes on the parcel of property have been notified that the political subdivision intends to recover its ER costs by using an "ER tax increment"; and 3) a statement that the political subdivision has attempted to recover its ER costs from the responsible party.

"Eligible costs" are capital costs, financing costs and administrative and professional service costs for the removal, containment or monitoring of, or the restoration of soil or groundwater affected by, environmental pollution. Eligible costs are reduced by any amounts received from persons who are responsible for the discharge of a hazardous substance on the property to pay remediation costs and by the amount of net gain on the sale of the property by the political subdivision. The "ERTIB" of the property is the property's equalized value as of the January 1 preceding the date on which DNR certifies that the property has been properly remediated.

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19

(END)

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**NOTE TO DRAFTING FILE for LRB-0772:**

Per the drafter, this draft has been redrafted to a “/1” as no problems remain in the draft that require resolution before introduction of the budget bill. There are no changes between the “/PX” and the “/1.”

DOA:.....Ziegler – Joint review board members, environmental remediation  
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FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

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