

Assembly Hearing Slip

(Please print plainly)

Date: 11-17-99
Bill No. AB 559
Or
Subject
(Name) PETER BOCK
(Street Address or Route Number) 4710 W. BLUE MOUND RD
(City & Zip Code) MILWAUKEE
(Representing) 7th A.D

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 11-17-99
Bill No. AB 559
Or
Subject
(Name) BERT OLSON
(Street Address or Route Number) 237 PALISADE ST.
(City & Zip Code) MENOMONIE WI 53151
(Representing) SLP Town & Village of Merrimac

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

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Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 11/17/99
Bill No. ASSEMBLY BILL 559
Or
Subject
(Name) MICHAEL D. CODY
(Street Address or Route Number) 58454A - HEMLOCK ROAD
(City & Zip Code) NORTH FREEDOM, WI 53951
(Representing) FORMER TOWNSHIP MAN

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 11/17/89
Bill No. AB 559
Or Subject TIF CHANGES
Rick STADELMAN
(Name)
W7686 Ctr Rd
(Street Address or Route Number) MAAA
SHAWANG WIS 53166
(City & Zip Code)
WIS Teams Assoc
(Representing)

Speaking In favor:
Speaking against:
Registering In favor:
Registering against:
Speaking for Information only; Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: Nov. 17, 1999
Bill No. AB 559
Or Subject TIF
Drew Watermelon
(Name)
PO Box 7921
(Street Address or Route Number)
Madison 53707
(City & Zip Code)
Wisconsin DNR
(Representing)

Speaking In favor:
Speaking against:
Registering In favor:
Registering against:
Speaking for Information only; Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 11/17/99
Bill No. AB 559
Or Subject TIF
Tom Boles Jr.
(Name)
4978 N. Maple Lane
(Street Address or Route Number)
Nashotah, 53058
(City & Zip Code)
MWSEIF
(Representing)

Speaking In favor:
Speaking against:
Registering In favor:
Registering against:
Speaking for Information only; Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 11/17/99
Bill No. AB-559
Or
Subject

DAVE CIESLUSZAK (CHASS LEVICA)
(Name)
16 N. CAMDEN ST
(Street Address or Route Number)
MADISON 53703
(City & Zip Code)
1000 FARMERS OF WJ
(Representing)

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

PLZ CALL TOGETHER w/
REP. BOCK

Assembly Hearing Slip

(Please print plainly)

Date: 11-17-99
Bill No. AB 559
Or
Subject TIF

Ed Heck
(Name)
14 W. Madison
(Street Address or Route Number)
MADISON, WI
(City & Zip Code)
WILLIAMSON OF CALIF
(Representing)

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

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Assembly Sergeant at Arms
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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 11-17-99
Bill No. TIF
Or
Subject

Mayor David DeAngelis
(Name)
PO Box 903
(Street Address or Route Number)
MADISON 53150
(City & Zip Code)
WISCONSIN & CITY OF
(Representing) MADISON

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: November 17, 1999
Bill No. AB 559
Or
Subject

Joe Cromacki
(Name)
210 Martin Luther King Jr. Blvd
(Street Address or Route Number)
Madison
(City & Zip Code)
City of Madison
(Representing)

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only:
- Neither for nor against:

Please return this slip to a messenger promptly.

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Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: _____
Bill No. AB 559
Or
Subject

JOE GRECO
(Name)
MONMOUTH FALLS
(Street Address or Route Number)
MONMOUTH FALLS
(City & Zip Code)
VILLAGE OF MONMOUTH FALLS
(Representing)
WAUKESHA COUNTY
WALD MORAINES

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only:
- Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: Nov 17, 1999
Bill No. AB 559
Or
Subject

Dan Thompson
(Name)
202 State St
(Street Address or Route Number)
Madison, WI 53703
(City & Zip Code)
League of Wisconsin
(Representing)
Municipalities

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only:
- Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 11-17-99
Bill No. AB 559
Or
Subject
Andy Berkhout
(Name)
817 FRANKLIN ST
(Street Address or Route Number)
MANITOWOC WI 54220
(City & Zip Code)
CITY OF MANITOWOC
(Representing)

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 11/17/99
Bill No. AB 559
Or
Subject
Tom Curade
(Name)
(Street Address or Route Number)
(City & Zip Code)
(Representing)

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 11-17-99
Bill No. AB 559
Or
Subject
SENATOR BRIAN BURKE
(Name)
3RD SENATE DISTRICT
(Street Address or Route Number)
MILWAUKEE WI
(City & Zip Code)
(Representing)

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: Nov. 17, 1999
Bill No. AB 559
Or
Subject TIF

(Name) Bill Cosh
(Street Address or Route Number) 122 W. Washington Ave.
(City & Zip Code) MADISON, WI 53703
(Representing) Wis. Assoc. of School Boards

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

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Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: November 17, 1999
Bill No. AB 559
Or
Subject _____

(Name) Allison Kujawa
(Street Address or Route Number) 100 River Place Suite 101
(City & Zip Code) Monona WI 53716
(Representing) Wisconsin Counties Assoc

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

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Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: Nov. 17, 1999
Bill No. AB 559 (book)
Or
Subject TIF restrictions

(Name) Michael Theo
(Street Address or Route Number) 4801 Forest Run Rd.
(City & Zip Code) MADISON, WI 53704
(Representing) Wisc. Realtors Assoc.

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

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Room 411 West
State Capitol
Madison, WI 53702

Note:
= Will provide Committee with memo shortly.

Assembly Hearing Slip

(Please print plainly)

Date: Nov 17, 1999
Bill No. AB 559
Or
Subject _____

(Name) Jean Hansen
(Street Address or Route Number) 501 E. Washington Ave.
(City & Zip Code) Madison WI 53701
(Representing) WMC

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only; Neither for nor against:

Please return this slip to a messenger promptly.

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 11-17-99
Bill No. AB 559
Or
Subject _____

(Name) Tony Studt
(Street Address or Route Number) 44 E. Main St., Suite 101
(City & Zip Code) MADISON WI 53703
(Representing) Waukesha County Municipal Executives

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only; Neither for nor against:

Please return this slip to a messenger promptly.

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 11/17/99
Bill No. AB559
Or
Subject _____

(Name) Amy Boyer
(Street Address or Route Number) 10 E. Doty St. #500
(City & Zip Code) MADISON 53703
(Representing) WI Economic Development Assn.

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only; Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Committee on Ways and Means

DATE _____

Moved by Lehman Seconded by Spill

AB 559 SB _____ Clearinghouse Rule _____

AJR _____ SJR _____

A _____ SR _____ Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Passage | <input type="checkbox"/> Indefinite Postponement |
| <input type="checkbox"/> Introduction | <input type="checkbox"/> Tabling |
| <input checked="" type="checkbox"/> Adoption | <input type="checkbox"/> Concurrence |
| <input type="checkbox"/> Rejection | <input type="checkbox"/> Nonconcurrence |

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Mickey Lehman, chair	1			
2.	Rep. Tom Sykora, vice-chair		2		
3.	Rep. Bob Goetsch		3		
4.	Rep. Mike Huebsch		4		
5.	Rep. Frank Lasee		5		
6.	Rep. John Ainsworth				
7.	Rep. Suzanne Jeskewitz				
8.	Rep. Carol Owens		6		
9.	Rep. Joan Spillner	2			
10.	Rep. Wayne Wood		7		
11.	Rep. John La Fave	3			
12.	Rep. Lee Meyerhofer		8		
13.	Rep. Johnnie Morris-Tatum	4			
14.	Rep. Jeffrey Plale		9		
15.	Rep. Bob Turner				
16.	Rep. Bob Ziegelbauer		10		
	Totals				

MOTION CARRIED

MOTION FAILED

Assembly Committee on Ways and Means

DATE _____

Moved by La Fave Seconded by Leh

AB 559 SB _____ Clearinghouse Rule _____

AJR _____ SJR _____

A _____ SR _____ Other _____

A/S Amdt a1276

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

Passage

Introduction

Adoption

Rejection

Indefinite Postponement

Tabling

Concurrence

Nonconcurrence

Intro

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Mickey Lehman, chair	1			
2.	Rep. Tom Sykora, vice-chair		1		
3.	Rep. Bob Goetsch		2		
4.	Rep. Mike Huebsch		3		
5.	Rep. Frank Lasee		4		
6.	Rep. John Ainsworth				
7.	Rep. Suzanne Jeskewitz				
8.	Rep. Carol Owens		5		
9.	Rep. Joan Spillner	2			
10.	Rep. Wayne Wood		6		
11.	Rep. John La Fave	3			
12.	Rep. Lee Meyerhofer	4			
13.	Rep. Johnnie Morris-Tatum	7	7		
14.	Rep. Jeffrey Plale	5			
15.	Rep. Bob Turner				
16.	Rep. Bob Ziegelbauer	6			
	Totals				

MOTION CARRIED

MOTION FAILED

1999 - 2000 LEGISLATURE

1999 ASSEMBLY BILL 559 

October 25, 1999 - Introduced by Representatives Bock, Klusman, Miller, Goetsch, Staskunas, Owens, Richards, Urban, Berceau, Pocan, Riley and Black, cosponsored by Senators Burke, Rosenzweig and Risser. Referred to Committee on Ways and Means.

Pg1Ln1 **An Act** to repeal 66.46 (4) (gm) 5.; to amend 66.46 (4) (gm) 1., 66.46 (4) (gm) 4.
Pg1Ln2 a. and 66.46 (4) (gm) 4. bm.; and to create 66.46 (4) (gm) 4. d. of the statutes;
Pg1Ln3 relating to: limiting the uses of tax incremental financing.

Analysis by the Legislative Reference BureauAB559 

Under the current tax incremental financing (TIF) 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.

AB559 

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 in 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.

AB559 

This bill limits the use tax incremental financing to areas that are blighted or in need of rehabilitation and requires the city or village to adopt a finding that no part of the district includes an area identified as agricultural or forest land.

For further information see the state and 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:

AB559, s. 1 

Pg2Ln1

Section 1. 66.46 (4) (gm) 1. of the statutes is amended to read:

AB559, s. 1 - continued 

Pg2Ln2

Pg2Ln3

Pg2Ln4

Pg2Ln5

Pg2Ln6

Pg2Ln7

Pg2Ln8

Pg2Ln9

Pg2Ln10

Pg2Ln11

Pg2Ln12

Pg2Ln13

Pg2Ln14

Pg3Ln1

Pg3Ln2

Pg3Ln3

66.46 (4) (gm) 1. Describes the boundaries, which may, but need not, be the same as those recommended by the planning commission, of a tax incremental district with sufficient definiteness to identify with ordinary and reasonable certainty the territory included therein. The boundaries shall include only those whole units of property as are assessed for general property tax purposes. Property standing vacant for an entire 7-year period immediately preceding adoption of the resolution creating a tax incremental district may not comprise more than 25% of the area in the tax incremental district, ~~unless the tax incremental district is suitable for industrial sites under subd. 4. a. and the local legislative body implements an approved project plan to promote industrial development within the meaning of s. 66.52.~~ In this subdivision, "vacant property" includes property where the fair market value or replacement cost value of structural improvements on the parcel is less than the fair market value of the land. In this subdivision, "vacant property" does not include property acquired by the local legislative body under ch. 32 or property included within the abandoned Park East freeway corridor or the abandoned Park West freeway corridor in Milwaukee county.

AB559, s. 2 

Pg3Ln4

Section 2. 66.46 (4) (gm) 4. a. of the statutes is amended to read:

AB559, s. 2 - continued 

Pg3Ln5 66.46 (4) (gm) 4. a. Not less than 50%, by area, of the real property within such
Pg3Ln6 district is at least one of the following: a blighted area; or in need of rehabilitation
Pg3Ln7 or conservation work, as defined in s. 66.435 (2m) (b); ~~or suitable for industrial sites~~
Pg3Ln8 ~~within the meaning of s. 66.52 and has been zoned for industrial use; and~~

AB559, s. 3 

Pg3Ln9 **Section 3.** 66.46 (4) (gm) 4. bm. of the statutes is amended to read:

AB559, s. 3 - continued 

Pg3Ln10 66.46 (4) (gm) 4. bm. The project costs relate directly to eliminating blight, or
Pg3Ln11 directly serve to rehabilitate or conserve the area ~~or directly serve to promote~~
Pg3Ln12 ~~industrial development~~, consistent with the purpose for which the tax incremental
Pg3Ln13 district is created under subd. 4. a.; and

AB559, s. 4 

Pg3Ln14 **Section 4.** 66.46 (4) (gm) 4. d. of the statutes is created to read:

AB559, s. 4 - continued 

Pg3Ln15 66.46 (4) (gm) 4. d. No part of the district includes an area identified as
Pg3Ln16 agricultural or forest land.

AB559, s. 5 

Pg3Ln17 **Section 5.** 66.46 (4) (gm) 5. of the statutes is repealed.

AB559, s. 6 

Pg3Ln18 **Section 6.** Initial applicability.

AB559, s. 6 - continued 

Pg3Ln19 (1) This act first applies to a tax incremental financing district that is created,
Pg3Ln20 or whose project plan is amended, on the effective date of this subsection.

Pg3Ln21 **(End)**

**Wisconsin's Tax Incremental Finance Law:
Lending a Hand to Blighted Areas or Turning Cornfields into
Parking Lots?**



**1,000 Friends of Wisconsin
October 1999**

Summary

Main points of this report:

- **Forty-five percent of tax incremental financing districts (TID) have been used to develop open space land.**
- **Approximately 30,000 acres of open space have been developed using tax incremental financing (TIF) subsidies.**
- **Large corporations and big box retailers are often beneficiaries of public subsidies using TIF.**
- **Four of ten communities are in violation of TIF limits under Wisconsin law.**
- **TIF needs to be refocused on its original intent of helping the redevelopment of blighted urban areas.**

Wisconsin passed the Tax Incremental Finance (TIF) law in 1975 (s.66.46 Wis. Stats.). Since then, cities and villages have created 849 tax incremental finance districts (TIDs) throughout the state. As of November 1998, there were 661 active TIF districts. The original intent of the TIF law was to create incentives for cities and villages (towns cannot use TIF) to finance urban redevelopment and blight elimination projects and to promote industry. However, state data show that many of these districts are created using open space land on the edges of cities and villages. As a result, TIF is often subsidizing sprawl rather than promoting the redevelopment of urban areas.

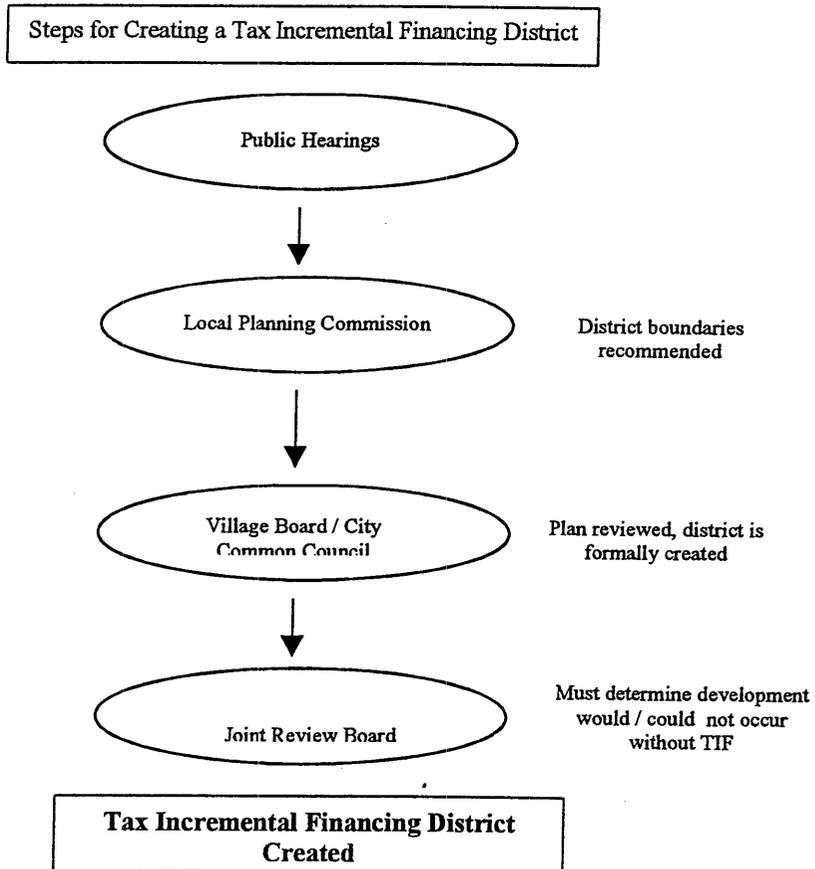
1,000 Friends of Wisconsin conducted research in January 1999 to discover how much open space land has been developed using TIF. Research findings indicate that nearly half (302 of 661) of active TIF districts were originally created using some portion of open space land. We estimate that 30,000 acres of Wisconsin's open space land has been developed using TIF in these 302 districts.

TIF Law and Procedures

Under TIF, cities and villages pay for infrastructure improvements and then they are paid back with the tax proceeds of the new development. The property tax proceeds are calculated by figuring the difference between the base value of the property before improvements and the value after improvement and development (the tax increment). The city or village keeps all of the increment until the improvements are paid off. Other

taxing jurisdictions (school districts, counties and technical colleges) receive taxes only on the original base value until the TIF is paid off and retired.

TIF is administered at the state level by the Wisconsin Department of Revenue. The agency monitors the technical and procedural requirements in establishing TIDs although the agency cannot review or evaluate substantive documentation. A TID is developed through the following steps: 1) The city plan commission creates the project plan, holds a public hearing on it and recommends the district boundaries to the city council or village board; 2) The council/board reviews the plan and formally creates the district. In doing so, it must find that 50% or more of the real property in the district is blighted, in need of rehabilitation or conservation or is suitable and zoned for industrial use, and the project should enhance the value of all other property in the district; 3) Finally, a joint review board is created. In order to approve the district, the board must find: a) The development would not have occurred without the district; b) The economic benefits of the district are sufficient to compensate for the costs of the improvements; c) The benefits outweigh the tax increments to be paid by the taxpayers.



After the TID has been created the Department of Revenue calculates the "tax increment base value" of the TID. This is the equalized value of all the taxable property at the time the TID is created. If the development occurring in the TID increases the value of the property above the TID base level the difference between the new value and the base value is the tax increment. This tax increment is used to pay back the costs associated

with initiating the tax incremental district incurred by the municipality. These municipal investments might include sewers, streets, lighting systems, financing costs, site preparation and professional service costs.

$$\begin{array}{r} \text{Land Value After Development} \\ - \text{Land Value at Time of TID Creation} \\ \hline = \text{Tax Increment} \end{array}$$

The Department of Revenue permits the allocation of tax increments until the TID terminates OR 23 years (in certain cases, 27 years) after the TID is created, whichever is sooner. A TID is required to terminate once the costs incurred by the municipality are paid back, 16 years or 20 years after the last expenditure identified in the project plan is made or when the municipality dissolves the TID, whichever happens first.

Forty-Five Percent of TIDs Used to Develop Open Space

In early 1999, 1000 Friends of Wisconsin reviewed the Department of Revenue active TIF project files to determine the portion of TIDs that were originally created using open space land. When they submit project packages to the DOR, local governments must identify the value and acres in categories of land within the project area. 1000 Friends counted the number of districts that included open space land. It was found that out of the 661 active districts, 302 were developed using some portion of land classified as "agricultural", "forest" or "swamp" land. These 302 districts included a total of about 30,000 acres of open space land. The vast majority was classified as agricultural land.

Forty-Two Percent of Municipalities Exceed TIF Limits

In examining information at the Department of Revenue, 1000 Friends found that 146 out of 347 (42%) municipalities with at least one TID are in violation of statutory limits on the value of TIDs as a percentage of total property values. These limits were put in place to protect taxpayers and other taxing jurisdictions from over-use of TIF.

State law sets caps on the overall value of TIDs in a municipality as follows:

1. Base value of proposed TID plus the current value of existing TIDs in the municipality must be 7% or less of the municipality's TOTAL EQUALIZED VALUE

$$\begin{array}{r} \text{Base Value Proposed TID} \\ + \text{Current Value of Existing TIDs} \\ \hline \text{7\% or less of Municipality's Total Equalized Value} \end{array}$$

2. The base value of the proposed TID and the increment of existing TIDs is 5% or less of the municipality's total value.

Base Value Proposed TID
+ Increment Values of Existing TIDs

5% or less of Municipality's Total Equalized Value

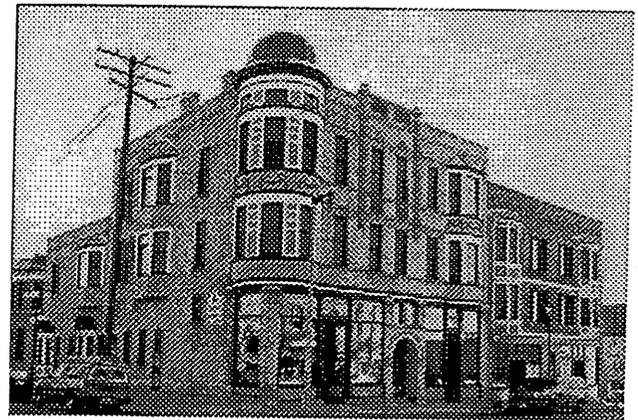
One hundred and forty-seven municipalities were above both the 5% and 7% statutory limits. Under state law, no more TIDs or TID expansions should occur until values fall below these limits. However, no state agency is charged with enforcing these limits.

Four Brief Case Studies

TIF At Its Best: Redeveloping A Blighted Urban Area

Milwaukee: King Drive

Created in mid-1990, this district provided a \$400,000 loan to assist converting a long-vacant property located at North King Drive and West Garfield Street into 41 apartments for low and moderate income families, as well as 14,000 square feet of office and commercial space. All apartments and commercial units have been leased. It is expected that the district will be closed out by 2011.



"This project managed to save buildings for an important social purpose. It might have been more economical to have torn them down. However, a new building probably would have never had the same richness, sense of quality and sense of place that this project has." Jury Comment, "The Wisconsin Architect", 1998

TIF At Its Worst: Subsidies For Big Box Retailers

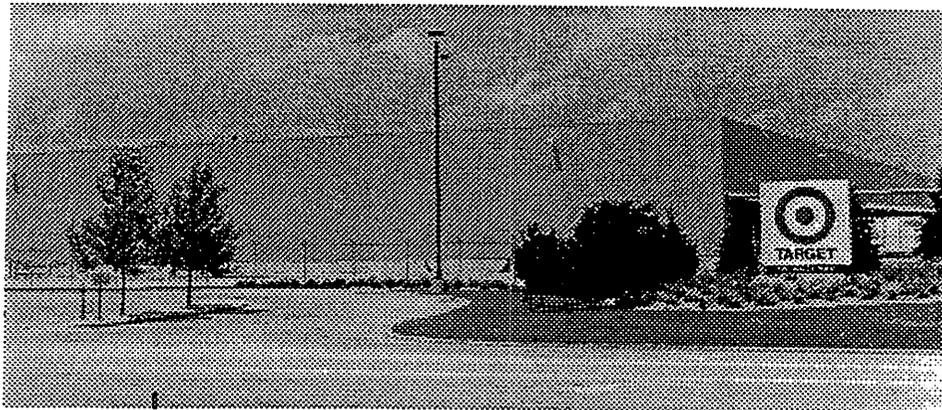
Oconomowoc: Target Warehouse

In 1990 Oconomowoc's TID #2, near the intersection of Highway 67 and Interstate 94, was authorized. The estimated cost for project improvements was \$19,956,275. The improvements made by the city to encourage development in this area included site grading, interceptor sewer, water main and well, storm sewer, streets and amenities, electric, development incentives, administrative costs, and relocation costs. This TID is still active, with an estimated close out year of 2005, fifteen years after authorization according to the original project plan.

Since authorization, TID #2 is now home to the following businesses: Fashion Bug, M&I Bank, Super Subs, Cost Cutters, and, the primary reason for creation of the district, a Target Distribution Center. The Target warehouse was highly controversial at the time of its development with much of the community opposed to its construction on the basis of truck traffic, community character and increased development pressure which they believed would accompany the development.

A question can be raised about Target's need for a public subsidy. According to the corporation's website, it is a division of Dayton Hudson Corporation, "one of the nation's largest general merchandise retailers". The website reports that Dayton Hudson operates nearly 1,200 stores in 44 states and that corporate 1998 revenue was \$30.95 billion.

Now, Oconomowoc is considering expanding TID 2 to include development of part of the historic 1,500 acre Pabst Farms across Highway 67. This TID expansion would subsidize WISPAK, a division of the WEPCO utility and one of Wisconsin's largest corporations.



The City of Oconomowoc's project plan promises: "The city intends that TIF will be used to assure only high quality corporate management, industrial, distribution and related private development locates in this section. High quality means aesthetically pleasing, long-lasting structures. The goal is to provide and preserve middle and upper income employment for the city. Without TIF the anticipated development in the area would be fast food and other travel related establishments."

Madison: Woodmans Warehouse Food Chain

Madison's TID #11 on Gammon Road was created in 1983. The project plan objectives were to "enhance the promotion of efficient and economic use of the land". In order to achieve this, infrastructure improvements including street improvement, water main, storm and sanitary sewer improvements, and sidewalk improvements were made to the Gammon Road area in preparation for construction of a Woodman's Supermarket. The estimated cost for improvements was \$1,152,153. This district has already closed out.



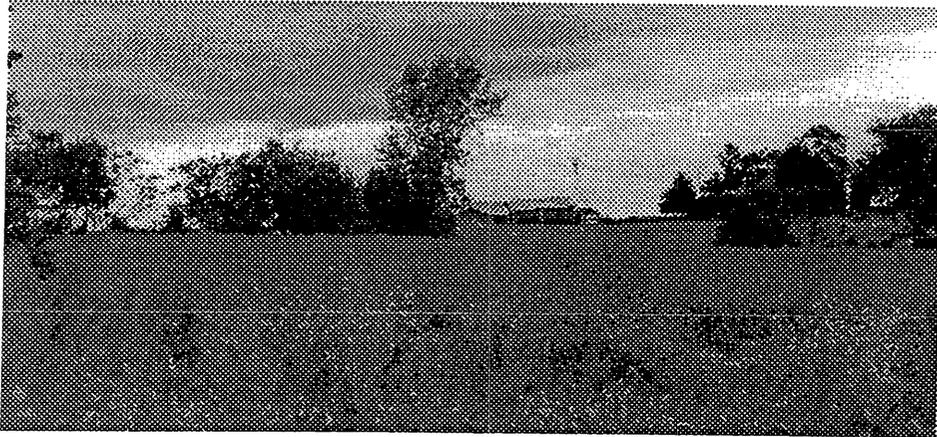
Residents of the surrounding area noted that within the period since this warehouse food chain store opened, 10 small to mid-sized grocery stores have closed on Madison's west side. Small grocery stores already face price competition from large retailers. A public subsidy for building only increases the competitive advantages for large retailers.

Baraboo: Wal-Mart Super Store

Baraboo's TID # 6 has not yet been authorized by the DOR but has been approved by the joint review board. The district is located near the intersection of Highway 12 and County W. Wal-Mart and a Slumberland Distribution Center are the two major projected occupants for this development. A cornfield and old apple orchard are the current occupants. The estimated TIF project cost is \$5,768,000. These costs include detention basin and water tower construction, interior roads, connection to water main, and Highway 12 improvements among others.

What makes this project controversial is that Wal-Mart already has a store in Baraboo and is looking to construct a brand new Wal-Mart Superstore (supermarket and discount department store) at this new location approximately two miles from the current store and close the current location. Additionally, the Wal-Mart project would have occurred without TIF, according to a letter written by Wal-Mart's Corporate Real Estate Manager. (see addenda) State law requires that the joint review board make a finding that the project would not have happened without the TIF subsidy.

Again, a serious question can be raised about Wal-Mart's need for a public subsidy. The corporation's website boasts in part, "Wal-Mart has just completed its best year ever, with sales of over \$137 billion, which is almost \$20 billion more than last year. More importantly, earnings per share increased by 27%... and the company paid dividends of almost \$700 million."



This orchard in Baraboo will be developed into a Wal-Mart Super Store using TIF; a subsidy even Wal-Mart concedes they don't need.

The Root of the Problem

In his message upon signing the law (Chapter 105, 1975), Governor Patrick Lucey wrote, "the Intention of the bill as it was introduced was to provide an additional means of redeveloping areas which are primarily urban in character." However, the law contains a loophole which allows its use virtually anywhere. Section 66.46 allows TIF to be used if at least 50% of the area to be included in a TID is blighted, in need of rehabilitation or *suitable for industrial sites*. This last provision, "suitable for industrial sites", makes TIF usable for the development of any open space land where services can be provided. To redirect the law to its original purpose, policy makers might consider eliminating this phrase from the law.

Sources

1000 Friends of Wisconsin. "Tax Incremental Financing."

Department of City Development, "City of Milwaukee Annual TIF Report" City of Milwaukee: Milwaukee, 1999

Target website at www.target.com reviewed on October 19, 1999.

Wal-Mart website at www.wal-mart.com reviewed on October 19, 1999.

"Wisconsin Architect," 69:4, AIA Wisconsin, Madison, 1998.

Wisconsin Department of Revenue. "Statement of Changes in TID Value." Bureau of Equalization: Madison, 1998 & 1999

Wisconsin Taxpayers Alliance. "The Wisconsin Taxpayer." Vol. 64, No. 3: Madison, March 1996

This report was researched and written by Lisa Nett, Linda Horvath and Dave Cieslewicz.



Sauk County 20th District Supervisor
327 Palisade St., Merrimac, WI 53561
608-493-9470 work, 608-493-2561 home, 608-493-9902 fax
e-mail: bart@merr.com
web site: www.merr.com

July 7, 1999

Mr. David Glass, CEO
Wal-Mart Corporation
702 S.W. 8th St.
Bentonville, Arkansas 72716

Dear Mr. Glass:

Recently, the City of Baraboo in Wisconsin has decided to create a Tax Incremental Finance District around a new Wal-Mart super store that you are planning to build there.

As a County Supervisor, I am opposed to the placement of your store in a TIF district, as it will mean the loss of property taxes from your store for the next 16 to 23 years. I don't believe a company with your successful track record needs to be subsidized by local property taxpayers as a prerequisite to building your new store. I have written several articles in local papers about this, and the county board has passed a resolution opposing the TIF district plan (attached).

According to Baraboo City officials, your company has not asked to be placed into a TIF nor has it asked to be given any special incentives as yet.

My question to you is, If your store is not placed in a TIF district and you are not given special incentives such as free or reduced cost water and sewer extensions, street improvements, etc., will you still build your store at the new location in Baraboo, Wisconsin?

Your straightforward answer to this question would resolve the controversy.

I would also like to state clearly that I am not anti Wal-Mart and have no problem with your company expanding in the Baraboo area, but I am against the use of special tax laws when they are not necessary. I would hope that a successful company like yours would be willing to pay for the municipal improvements related to your new store as well as being added to the local property tax roll along with the rest of us taxpayers (your customers).

If you have any questions, please call me at any time.

Sincerely,


Bart Olson

Wal-Mart Stores, Inc.

Real Estate and Engineering
West Div.
2001 SE 10th Street
Bentonville, AR 72712-6489

Engineering Phone: 501-273-4940

Real Estate Phone: 501-204-0364

FAX: 501-273-8380

July 28, 1999

Bart Olson
Sauk County 20th District Supervisor
327 Palisade Street
Merrimac, WI 53561

Dear Mr. Olson:

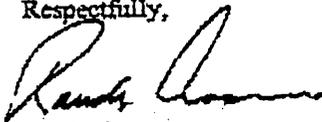
In response to your question the answer is simply, yes. We would relocate our existing store to this location regardless of the city's execution of the TIF request.

Baraboo already had road improvements planned prior to Wal-mart's interest. We do acknowledge that these improvements will benefit Wal-mart but will also benefit existing and proposed new users.

Wal-mart does have additional needs above and beyond what the city has planned in to the TIF district. In preliminary discussions as part of the conditional use permit review process, additional improvements at the highway 12 and county trunk W intersection were discussed with the city staff, and Wal-mart is willing to pay its share of these costs as it relates to increased traffic imposed by our development.

I hope this answers your questions and resolves any misunderstanding.

Respectfully,



Randy Crossno
Corporate Real Estate Manager

RC/dl

\\wv\01\wv\1\PUBLIC\DLLOVE\2\env\Letter\Bart Olson.doc

VILLAGE OF MENOMONEE FALLS

W156 N8480 Pilgrim Road • Menomonee Falls, WI 53051

Telephone: (262) 255-8300



November 11, 1999

Representative Mickey Lehman

CC: Members of the Ways and Means Committee
Other Legislators

Dear Representative Lehman:

Once again we have a bill that is intended to change the TIF law as we know it today. (AB 559)

The Village Board of Menomonee Falls opposes this bill as it eliminates the only economic development tool the State affords us. In the 1998-99 Budget Bill, the Legislature and the Governor eliminated computers from the local personal property taxes because it was believed that this tax had a detrimental affect on economic development and that the State of Wisconsin is not competitive with the surrounding states that we compete with. Elimination of economic development through TIFS does the same thing to local government.

If it is the desire of the Legislature to eliminate the economic development benefit of TIFS please replace that benefit with another program before changing the present TIF law. What that program might be I have no idea, however I am sure greater minds than mine could do so. Why TIFS are needed is because of the high price of lands in Southeastern Wisconsin. I have been in office 18 years and have seen many numbers "cranked" on TIFS. I can assure you, in most cases, the numbers do no work unless local government brings something to the table. The only tool we have is TIFS. Examples of corporations that required TIFS to make their projects work and please feel free to contact these people to confirm what I am saying - Strong Capital Management (Bruce Behling), Kohls Corporate Center (Bill Kellogg). In each case, these folks were considering other states and after my experiences with Briggs and Stratton and John Deere moving out of state, I was not ready to play poker of will they or won't they. The Strong project allowed us to enter into an agreement with the City of Milwaukee that created the Jobs Corridor Project which will provide thousands of jobs for both the Village of Menomonee Falls and the City of Milwaukee.

I ask you to consider the consequences of this bill, or any other bill, that removes economic development from the TIF legislation without replacing it with another program.

Thank you for you consideration.

A handwritten signature in black ink that reads "Joe Greco".

Joe Greco
Village President



Mid-Moraine Municipal Association

An Association For Municipal Improvement

November 15, 1999

Representative Mickey Lehman
Room 103 West, State Capitol
P.O. Box 8952
Madison, WI 53708

**MEMBER
COMMUNITIES**

Belgium
Cedarburg
Fredonia
Germantown
Grafton
Hartford
Jackson
Kewaskum
Mequon
Newburg
Pt. Washington
Saukville
Slinger
Thiensville
West Bend

RE: Assembly Bill 559

Dear Representative Lehman:

The Tax Incremental Financing (TIF) statute that is currently part of state law has been a driving force in Economic Development in the State of Wisconsin. It has provided municipalities a means to provide increased jobs and tax base to improve those communities while allowing them to remain within the expenditure restraint program.

To remove economic development from the TIF statute will most certainly have a negative financial impact on the communities in the state and could prevent those communities from meeting the expansion needs of their local industries, causing those industries to leave the community or even the state.

On behalf of the communities represented by the Mid-Moraine Municipal Association, we are asking you to keep the financial well being of these communities in mind as you discuss any change to the current TIF law. We specifically need your assistance in maintaining the economic development use as is currently included in the current law.

We would sincerely appreciate your efforts in supporting the Tax Incremental Financing law as it currently exists. Thank you for your consideration.

Sincerely

Ronald W. Pugh, Executive Director
Mid-Moraine Municipal Association

Executive Director: Ronald W. Pugh
Address: 1637 Valley Drive, Grafton, WI 53024
Phone: (262) 375-1707; E-Mail: Mid-Moraine@Mailcity.com

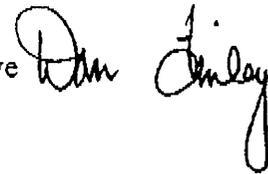
Waukesha C O U N T Y

OFFICE OF COUNTY EXECUTIVE

Memo

TO: Committee of Ways and Means

FROM: Daniel M. Finley, Waukesha County Executive



SUBJECT: Assembly Bill 559

DATE: November 16, 1999

Wisconsin has enjoyed a number of years of a great economy, and this has been particularly true in Waukesha County. I want to thank you for your policies that have helped to drive this.

One of the best tools local government has to fuel this economic engine is the Tax Incremental Finance District. In particular, the inclusion of industrial value in these districts has made them very important to local communities.

There certainly needs to be reform in Wisconsin TIF law. For example, 23 years is too long of a duration for a TIF district because it permits expenses to be included in projects that should be at least shared with the developer.

My purpose in writing to you today is to urge you to not throw out the industrial component of TIF as an economic development tool, or at least not until an appropriate replacement is found.

I urge you to reform Wisconsin's TIF law, but am opposed to Assembly Bill 559.

Thank you.

DMF:sh

(14) CONSTRUCTION. Nothing in this section shall be construed as relieving, modifying or interfering with the responsibilities for operating jails which are vested in sheriffs under s. 59.27 (1) and chiefs of police under s. 62.09 (13) (b).

History: 1983 a. 189; 1983 a. 192 ss. 151, 303 (1); 1991 a. 316; 1995 a. 201.

66.51 Revenue bonds for counties and cities. (1) (a) Every county or city, or both jointly, may construct, purchase, acquire, develop, improve, operate or maintain a county or city building, or both jointly, for a courthouse, safety building, city hall, hospital, armory, library, auditorium and music hall, municipal parking lots or other parking facilities, or municipal center or any combination thereof, or a university of Wisconsin college campus, as defined in s. 36.05 (6m), if the operation of such college campus has been approved by the board of regents of the university of Wisconsin system.

(b) The county board, common council of any city, or both jointly, are authorized in their discretion, for any of its corporate purposes as set forth in this subsection, to issue bonds on which the principal and interest are payable from the income and revenues of such project financed with the proceeds of such bonds or with such proceeds together with the proceeds of a grant from the federal government to aid in the financing and construction thereof. In the case of municipal parking lots or other parking facilities such bonds may in addition be payable as to both principal and interest from income and revenues from other similar projects, parking meters, parking fees, or any other income or revenue obtained through parking, or any combination thereof.

(c) The credit of the county, or city, or both jointly, shall not be pledged to the payment of such bonds, but shall be payable only from the income and revenues described in par. (b) or the funds received from the sale or disposal thereof. If the county board, or common council of a city, or both jointly, so determine, such bonds shall be secured either by a trust indenture pledging such revenues or by a mortgage on the property comprising such project and the revenues therefrom.

(2) The bonds or other evidences of indebtedness shall state upon their face that the county, or city, or both jointly, shall not be a debt thereof or be liable therefor. Any indebtedness created by this section shall not be considered an indebtedness of such county or city and shall not be included in such amounts of determining the constitutional 5% debt limitations.

(3) The provisions of s. 66.066 relating to the issuance of revenue bonds by cities for public utility purposes, insofar as applicable, and the provisions of ss. 67.08 (1) and 67.09 relating to the execution and registration of municipal obligations apply to the issuance of revenue bonds under this section.

(4) All actions of any county or city, including all contracts, agreements, obligations and undertakings entered into pursuant to such actions, before December 4, 1955, in connection with the construction or other acquisition, equipment, furnishing, operation and maintenance of a joint county-city safety building, which would have been valid if sub. (1) and s. 66.508 had been in effect when such actions were taken, are hereby validated.

History: 1971 c. 100 s. 23; 1977 c. 26; 1979 c. 89; 1983 a. 24; 1995 a. 225; 1997 a. 237.

66.52 Promotion of industry. (1) It is declared to be the policy of the state to encourage and promote the development of industry to provide greater employment opportunities and to broaden the state's tax base to relieve the tax burden of residents and home owners. It is recognized that the availability of suitable sites is a prime factor in influencing the location of industry but that existing available sites may be encroached upon by the development of other uses unless protected from such encroachment by purchase and reservation. It is further recognized that cities, villages and towns have broad power to act for the commercial benefit and the health, safety and public welfare of the public. However, to implement that power, legislation authorizing borrowing is necessary. It is, therefore, declared to be the policy of the state

to authorize cities, villages and towns to borrow for the reservation and development of industrial sites, and the expenditure of funds therefor is determined to be a public purpose.

(2) For financing purposes, the purchase, reservation and development of industrial sites undertaken by any city, village or town is a public utility within the meaning of s. 66.066. In financing under that section, rentals and fees shall be considered as revenue. Any indebtedness created hereunder shall not be included in arriving at the constitutional debt limitation.

(3) Sites purchased for industrial development under this section or pursuant to any other authority may be developed by the city, village or town by the installation of utilities and roadways but not by the construction of buildings or structures. Any such sites may be sold or leased for industrial purposes but only for a fair consideration to be determined by the governing body.

66.521 Industrial development revenue bonding.

(1) FINDINGS. (a) It is found and declared that industries located in this state have been induced to move their operations in whole or in part to, or to expand their operations in, other states to the detriment of state, county and municipal revenue raising through the loss or reduction of income and franchise taxes, real estate and other local taxes, and thereby causing an increase in unemployment; that such conditions now exist in certain areas of the state and may well arise in other areas; that economic insecurity due to unemployment is a serious menace to the general welfare of not only the people of the affected areas but of the people of the entire state; that unemployment results in obligations to grant public assistance and in the payment of unemployment insurance; that the absence of new economic opportunities has caused workers and their families to migrate elsewhere to find work and establish homes, which has resulted in a reduction of the tax base of counties, cities and other local governmental jurisdictions impairing their financial ability to support education and other local governmental services; that security against unemployment and the preservation and enhancement of the tax base can best be provided by the promotion, attraction, stimulation, rehabilitation and revitalization of commerce, industry and manufacturing; that there is a need to stimulate a larger flow of private investment funds from banks, investment houses, insurance companies and other financial institutions. It is therefore declared to be the policy of this state to promote the right to gainful employment, business opportunities and general welfare of the inhabitants thereof and to preserve and enhance the tax base by authorizing municipalities to acquire industrial buildings and to finance such acquisition through the issuance of revenue bonds for the purpose of fulfilling the aims of this section and such purposes are hereby declared to be public purposes for which public money may be spent and the necessity in the public interest for the provisions herein enacted is declared a matter of legislative determination.

(b) It is found and declared that the control of pollution of the environment of this state, the provision of medical, safe employment, telecommunications and telegraph, research, industrial park, dock, wharf, airport, recreational, convention center, trade center, headquarters and mass transit facilities in this state, and the furnishing of electric energy, gas and water in this state, are necessary to retain existing industry in, and attract new industry to, this state, and to protect the health, welfare and safety of the citizens of this state.

(c) It is found and declared that the revitalization of the central business districts of the municipalities of this state is necessary to retain existing industry in, and attract new industry to, this state and to protect the health, welfare and safety of residents of this state.

(2) DEFINITIONS. As used in this section, unless the context otherwise requires:

(a) "Authorized developer" means a corporation organized under ch. 180 or 181 which the governing body designates as an authorized developer after making a finding that the principal pur-



November 15, 1999

Representative Michael Lehman
Chairman, Committee on Ways and Means
P.O. Box 8952
Madison, WI 53708-8952

Re: 1999 Assembly Bill 559

Dear Representative Lehman:

On behalf of the City of Manitowoc (population 34, 469), I wanted to share with you our concerns with AB559 regarding Tax Incremental Financing (TIF). **DON'T CHANGE THE LAW. IT'S OUR MOST SUCCESSFUL ECONOMIC DEVELOPMENT TOOL.**



OFFICE OF MAYOR

Nearly 25 years ago, the Wisconsin Legislature created the TIF law. The legislative intent of the program was to give cities and villages a financial tool to stimulate beneficial development that would not otherwise occur. The tool works! With industrial development being the lifeline to developing sustainable economies and communities in much of northeast Wisconsin, what would be the reasoning behind eliminating the eligibility of industrial development activities with TIF? The primary purpose behind the creation of nearly three-fourths of all TIF's created to date in Wisconsin has been industrial development.

In Manitowoc, we've created 12 TIF districts since 1975, when Wisconsin Act 105 created the TIF program. Four (4) of our last six (6) TIF districts were directly related to the development of our I-43 Industrial Park. Without TIF, the existence of this park is highly unlikely; the extension of infrastructure to support new business growth even more remote. We are prudent in our use of TIF, and have utilized it to retain and attract industry that would have left Manitowoc for sites in more strategic locations. Our I-43 TIF's have played a major role in a \$13 million corporate/manufacturing facility by the Jagemann Stamping Company; a \$15 million dollar facility by Zenith Sintered Products; and a \$10 million manufacturing plant by Dayco-Eastman. These projects translate into high paying jobs and tax base for Manitowoc. Without TIF for industry, these projects don't happen, at least in Manitowoc.

Kevin Crawford
Mayor

CITY HALL
317 Franklin Street
P.O. Box 1597
Manitowoc, WI 54221-1597
Phone: (920) 683-4440
FAX: (920) 683-4424
Email: kcrawford@manitowoc.org



Industrial development is highly desirable in Manitowoc. With TIF, industrial development pays for the infrastructure, not the general taxpayer. TIF allows us to grow and finance capital improvements, without expanding the local tax burden. In Manitowoc, all representatives on our Joint Review Board have unanimously supported the TIF's we've proposed and created. All overlying taxing bodies, including the Manitowoc Public School District, realize the immense benefit to the community and area at large. They realize that TIF is not only a tool for blight elimination, but rather an economic development tool to attract development and investors to our community.

On behalf of the City of Manitowoc, PLEASE DON'T ENDORSE AB559,
AND DON'T ELIMINATE TIF FOR INDUSTRIAL SITES.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Crawford', written in a cursive style.

KEVIN CRAWFORD
MAYOR

Proposal Issue Page

For use at public hearings and any other forum of debate

Date 11-17-99

Proposal 559

Lead Author(s) Bock

Pros:

TIF is promoting urban sprawl w/TIF being initiated on open land. 45% of TIFs have been established on open land.

Limits use of program to "blighted area," which is the "original intent" of the program.

Allows for 25% vacant land to be included in TID

Would redirect TIDs to ~~per~~ urban blighted areas that have been perhaps overlooked for TIDs in greenfield areas. To brownfield areas as well.

Addresses tax-shift

Cons:

Going back to the original intent of '74 just doesn't make sense in the year 2000.

Is an incentive for companies to locate in a TID.

~~Tax shift~~

The issue is ~~zoning~~ really land use planning, not TIF. TIF is merely the ^(w) tool to develop the area.

What other development tool(s) are available to cities & villages that could "replace" TIF as a development tool?

Joe
Greco



State of Wisconsin • DEPARTMENT OF REVENUE

125 SOUTH WEBSTER STREET • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933 • 608-266-6466 • FAX 608-266-5718 • <http://www.dor.state.wi.us>

Tommy G. Thompson
Governor

Cate Zeuske
Secretary of Revenue

Assembly Ways and Means Committee Hearing, November 17, 1999

AB 559 Limit Use of TIF to Blighted Areas

Under current law, a tax incremental district (TID) may be created if it is found that 50% or more of the land area in the TID is blighted or in need of rehabilitation and that no more than 25% of the land can be vacant for the 7 years preceding the TID creation. However, if the area is suitable for industrial use, neither test applies.

Under the bill, land that is suitable for industrial use would no longer be a qualifying criterion. Also under the bill, agricultural and forest land would not be allowed in TIDs.

The bill appears linked to a recent report by *1000 Friends of Wisconsin*, which argued that a large number of industrial TIDs are developed on open space land. By limiting all TIDs to areas in which no more than 25% was vacant prior to the TID's creation and to blighted areas, the bill is intended to reduce the creation of TIDs on open space land.

While the bill does not prohibit the use of tax incremental financing for industrial purposes, industrial TIDs must meet the land restrictions for blighted and rehabilitation TIDs. Assuming that most industrial TIDs are not created in blighted areas, the bill would result in significantly fewer TIDs being created.

The bill may reduce industrial development to the extent that municipalities will be less inclined to make the infrastructural improvements when bearing the full cost of those improvements. This may have the positive effect of preserving open space on the one hand, but may hinder economic development on the other.

It has been argued that tax incremental financing (TIF) has been used to finance industrial projects that would have occurred anyway without the assistance of TIF, particularly in fast-growing municipalities. To the extent that this is true, the bill will serve to limit the use of TIF for those projects that would not occur without such financing. However, given that the creation of a TID is at the discretion of the joint review board representing all taxing jurisdictions involved, local control exists to determine the necessity of TIF. As a result, the bill may eliminate a financing tool needed to foster industrial development.

Governor Thompson has asked the Department of Revenue to convene a working group to study the tax incremental financing program. Secretary Zeuske will undertake that effort early in the year 2000 and it is likely that a discussion of industrial TIDs would be a part of that group's charge.

Halverson, Vicky

From: Rep.Spillner
Sent: Tuesday, January 04, 2000 8:54 AM
To: Rep.Lehman
Subject: FW: AB 559 Hearing

Follow Up Flag: Follow up
Flag Status: Flagged

Representative Lehman:

One of my constituents has requested a copy of your November 16th committee report. Would you be so kind as to send one to my office.

Thank you,

Joan

-----Original Message-----

From: Bart Olson [mailto:bart@merr.com]
Sent: Saturday, December 18, 1999 11:07 AM
To: Joan Wade Spillner
Subject: FW: AB 559 Hearing

Dear Joan:

I testified on 11-16-99 in front of the Ways and Means committee in favor of AB 559 (a bill that would reduce the scope of Tax Incremental Financing). Others testified and or registered and some passed out documents to the committee. As you can see I have attempted to obtain this information from the chairman but have been unsuccessful so far. Since you are on this committee could you help me?

Thanks

Bart Olson, President
Merrimac Communications Ltd.
327 Palisade St., Merrimac WI 53561
608.493.9470, fax 608.493.9902
email: bart@merr.com web: www.merr.com

-----Original Message-----

From: Bart Olson [mailto:bart@merr.com]
Sent: Tuesday, November 23, 1999 8:12 PM
To: Mickey lehman
Subject: AB 559 Hearing

Dear Rep. Lehman:

Thanks for allowing me to address the Ways and Means Committee about AB 559 and TIF financing last Wednesday.

Would you please forward the list of persons and organizations testifying or registering on the bill. Also if possible please forward copies of all documents distributed to the committee.

Bart Olson, President
Merrimac Communications Ltd.
327 Palisade St., Merrimac WI 53561
608.493.9470, fax 608.493.9902
email: bart@merr.com web: www.merr.com

Halverson, Vicky

From: William J. Reichertz [breichertz@globaldialog.com]

Sent: Wednesday, February 23, 2000 2:11 PM

To: Rep.LehmanM@legis.state.wi.us

Subject: AB-559

Dear Representative Lehman:

Thank you for supporting AB-559. Below is a message sent to Representative Goetsch asking that he support the bill.

Sincerely,

William J. Reichertz

The TIF loophole has turned a good program into a very destructive program. Please support AB-559.

It is a harmful practice to allow municipalities to fight one another for business by offering incentives to develop open spaces with TIF funding. It is also unfair to small business. The Wal-Marts of the world may bring new jobs to an area but numbers indicate that for each new job more than one equally or higher paying job was lost. Communities like Watertown are working to revitalize Main Street USA. AB-559 would be very helpful in promoting that effort. Jefferson County and Dodge County have been both working on land use plans to prevent sprawl. Hydrology experts are talking about ground water shortages in Southeastern Wisconsin. Its all related. We have moved forward with Smart Growth initiatives. AB-559 is in keeping with this favorable direction.

Thanks for the time. Please vote for AB-559.

Bill Reichertz
N7886 Coffee Rd. (X)
Watertown, WI 53094
920-262-0602

Kraak, Maureen

From: Jay Tappen [jtappen@charter.net]
Sent: Friday, February 25, 2000 9:36 AM
To: Rep.LehmanM@legis.state.wi.us
Subject: AB-559

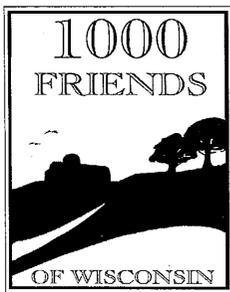
Honorable Michael Lehman
Hartford

Dear Representative Lehman:

Thank you for your support of AB-559 in the Assembly Ways & Means Committee. Although I am dissapointed in the resulting vote, I appreciate your efforts in changing the way TIF districts can be created. As a taxpayer I want to see TIF incentives used for their original purpose, the redevelopment of blighted urban areas and not for pushing urban development further out to the fringes which ultimately causes disinvestment in areas that already have urban infrastructure, like my own neighborhood in downtown Eau Claire.

Thank You again and I look forward to your continued support in this matter.

Jay Tappen
611 Division Street
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February 25, 2000

Rep. Michael Lehman
Chair, Ways & Means Committee
P.O. Box 8952
Madison, WI 53708

Dear Chairperson Lehman:

On behalf of our 1,800 members in 250 communities around Wisconsin, I want to thank you for scheduling a vote and for voting in favor of Assembly Bill 559, relating to tax incremental financing.

While the bill did not prevail in your committee, we appreciated the fair hearing you gave our bill in November and we appreciated your giving us a chance to advance the legislation by bringing the bill to a vote. It was our job to get the votes.

We will introduce identical legislation in the Senate next week and I hope that we have the opportunity to revisit the issue yet this session. I think it's possible that we could work with your committee to arrive at a bill that a majority of your committee could support. In any event, I know that there will be more opportunities to address TIF reform next session.

Again, thank you for the fair treatment you gave AB-559 and for your vote in support of the bill.

Sincerely,


David Cieslewicz
Director

Cc: Rep. Peter Bock

Citizens United for Responsible Land Use