

**2001 DRAFTING REQUEST**

**Bill**

Received: **04/05/2001**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Fred Risser (608) 266-1627**

By/Representing: **Jim O'Keefe**

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

Drafter: **shoveme**

May Contact:

Addl. Drafters:

Subject: **Munis - tax incrmntal financing**

Extra Copies:

Submit via email: **NO**

Requester's email:

**Pre Topic:**

No specific pre topic given

**Topic:**

Filing forms related to the creation of a tax incremental financing district

**Instructions:**

Companion to SB (LRB -2654/1)

**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>
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/1			martykr 04/10/2001	_____	lrb_docadmin 04/10/2001	lrb_docadmin 04/10/2001	

FE Sent For:

↳ At Intro.

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/? shoveme

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\* Jacket for

Assembly

FE Sent For:

<END>

1 MES 4/5/01

-3038/1

STAYS

RMNR

2001 BILL

OTHER

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1 AN ACT to create 66.1105 (5) (bg) of the statutes; relating to: the publication of  
2 notices relating to the creation of tax incremental financing districts.

*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 adoption of a resolution by the common council or village board that creates the district as of a date provided in the resolution. Before the required public hearings are held, the city or village that wishes to create a TID must publish public notices that include information about the place, time, and subject of the hearings. Another step that must be taken before a TID may be created is the 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, all of these steps are also required.

Once these steps are accomplished, the city clerk is required to complete certain forms and an application and submit the documents to the department of revenue (DOR) on or before December 31 of the year in which the TID is created. Upon receipt

**BILL**

of the application, DOR is required to certify the full aggregate value of the taxable property in the city, which constitutes the tax incremental base of the TID.

This bill specifies that, if a city that created or attempted to create a TID in October 1999 and in September 2000 published the required public notices before the required public hearings were held, in substantial compliance with the statutory requirements, although the notices contained technical deficiencies regarding the time, place, or subject of the hearings, the creation date of both TIDs shall be January 1, 2000, and DOR must proceed as if they were created on that date.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

① SECTION 1. 66.1105 (5) (b<sup>h</sup>~~g~~) of the statutes is created to read:

② 66.1105 (5) (b<sup>h</sup>~~g~~) Notwithstanding the requirements in sub. (4) (a), (c), and (e),  
3 if a city that created, or attempted to create, a tax incremental district in October  
4 1999 and in September 2000 and published the notices required under sub. (4) (a),  
5 (c), and (e), and was in substantial compliance with the notice requirements although  
6 such notices contained technical deficiencies regarding the time, place, or subject of  
7 the required hearings, the department of revenue shall determine the tax  
8 incremental bases of the districts, allocate tax increments, and treat the districts in  
9 all other respects as if the requirements under sub. (4) (a), (c), and (e) had been  
10 strictly complied with and as if the districts were created on January 1, 2000.

11

(END)



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

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P. O. BOX 2037  
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561  
REFERENCE SECTION: (608) 266-0341  
FAX: (608) 266-5648

STEPHEN R. MILLER  
CHIEF

April 25, 2001

## MEMORANDUM

**To:** Representative Berceau

**From:** Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129

**Subject:** Technical Memorandum to **2001 AB-314** (LRB-3038/1)

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We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

## MEMORANDUM

April 25, 2001

**TO:** Marc Shovers  
Legislative Reference Bureau

**FROM:** Dennis Collier  
Department of Revenue

**SUBJECT:** Technical Memorandum on AB 314 - Filing Forms Related to the Creation of a Tax Incremental Financing District

The Department of Revenue (DOR) has concerns regarding the administration of the bill given the date of passage. The bill requires DOR to certify a January 1, 2000, base year for the affected TIDs. DOR could certify a 2000 base value for the affected TIDs; however, certifying the value increments in the first year of the TID could prove difficult if the bill is not passed within the time frame required for certifying value increments.

Ordinarily, DOR certifies value increments beginning the year following creation. To certify the value increments, DOR relies on information submitted by the municipality no later than the second Monday in June. Hence, value increments for a TID with a 2000 base year would require documentation submitted to DOR by June 2001. Passage of the bill after July 2001 would make it impossible for DOR to certify 2001 value increments for the TIDs.

Similar statutory allowances for exceptions to TIF requirements have allowed for the district base year but have pushed the certification of value increments to the next year to allow for the documentation required for DOR to make its determination. The author may wish to add language that would provide for a January 1, 2000, base year but would specify that DOR would not certify a value increment before 2002.

If you have questions regarding this technical memorandum, please contact Rebecca Boldt at 266-6785.