



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-2253/PV

MES:Y.....

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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-note

~~SOON~~
FN: 5/25

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1 AN ACT ...; relating to: making technical and policy changes in the tax
2 incremental financing program based on the recommendations of the
3 governor's working group on tax incremental finance.

Analysis by the Legislative Reference Bureau

To be provided in a future version of the draft.
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:

4 SECTION 1. 60.23 (32) of the statutes is created to read:
5 60.23 (32) TOWN TAX INCREMENT POWERS. If the town is located in a county which
6 does not have any cities or villages, exercise all powers of cities under s. 66.1105. If
7 the town board exercises the powers of a city under s. 66.1105, it is subject to the same
8 duties as a common council under s. 66.1105 and the town is subject to the same
9 duties and liabilities as a city under s. 66.1105.

SECTION 2. 66.1105 (2) (f) 2. d. of the statutes is created to read:

66.1105 (2) (f) 2. d. Capital costs, as described in subd. 1. a., the expenditures for which are from an escrow account of funds for such expenses that are expended after the deadline for expenditures under sub. (6) (am) 1. STET

NOTE: This subdivision paragraph attempts to execute your instruction **number 5** "Infrastructure costs: timeframes" under "policy proposals" on page 14 of your memo. I don't believe that this statute is needed, however, because no city or village has the authority, under current law, to make such expenditures after the time periods described in s. 66.1105 (6) (am) 1. Unless you can demonstrate to me why this statute is necessary and how it prevents something that is allowable under current law, I will delete it from the next version of the bill.

SECTION 3. 66.1105 (2) (f) 3. of the statutes is amended to read:

66.1105 (2) (f) 3. Notwithstanding subd. 1., project costs may not include any expenditures made or estimated to be made or monetary obligations incurred or estimated to be incurred by the city for newly platted residential development for any tax incremental district for which a project plan is approved after September 30, 1995, or for which an amendment of a project plan is approved after the effective date of this subdivision [revisor inserts date].

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105.

SECTION 4. 66.1105 (2) (i) of the statutes is amended to read:

66.1105 (2) (i) "Tax increment" means that amount obtained by multiplying the total county, city, school and other local general property taxes levied on all taxable property within a tax incremental district in a year by a fraction having as a numerator the value increment for that year in the district and as a denominator that year's equalized value of all taxable property in the district. In any year, a tax increment is "positive" if the value increment is positive; it is "negative" if the value increment is negative. With regard to ^{a tax incremental district that has been} an industrial district, as that term is used in ^{under} sub. (4) (gm) 6., the calculation under this paragraph may not include the value of

declared

1 any residential property and may not include the value of any improved property on
 2 which more than 35% of the improved square footage is devoted to retail operations,
 3 including any storage areas or warehouses that contain merchandise that could be
 4 sold on-site at retail as part of an on-site retail operation. ✓

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5.

STET

****NOTE: The language in amended s. 66.1105 (2) (i) and (j) is based on your instruction #15 under "policy" proposals, but the language seems to be somewhat vague. For example, I'm not sure what it means for a warehouse to "harbor" merchandise. I did not include DOR's staff's suggestion related to s. 70.995 (1) (a) because that suggestion did not make it into the actual "Resolved." section of item #15. Is this OK?

instruction #

5 SECTION 5. 66.1105 (2) (j) of the statutes is amended to read:

6 66.1105 (2) (j) "Tax incremental base" means the aggregate value, as equalized
 7 by the department of revenue, of all taxable property located within a tax
 8 incremental district on the date as of which the district is created, determined as
 9 provided in sub. (5) (b). The base of districts created before October 1, 1980, does not
 10 include the value of property exempted under s. 70.111 (17). With regard to an
 11 industrial district that term is used in sub. (4) (gm) 6., the calculation under this
 12 paragraph may not include the value of any residential property and may not include
 13 the value of any improved property on which more than 35% of the improved square
 14 footage is devoted to retail operations, including any storage areas or warehouses
 15 that contain merchandise that could be sold on-site at retail as part of an on-site
 16 retail operation. ✓

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5.

17 SECTION 6. 66.1105 (3) (g) of the statutes is created to read:

18 66.1105 (3) (g) Create a standing joint review board that may remain in
 19 existence for the entire time that any tax incremental district exists in the city. All
 20 of the provisions that apply to a joint review board that is convened under sub. (4m) ✓

1 (a) apply to a standing joint review board that is created under this paragraph. A
 2 city may disband a joint review board that is created under this paragraph at any
 3 time.

****NOTE: Instruction # 26 under the "policy" proposals did not specify whether a city could disband a standing joint review board. Is the last sentence in sub. (3) (g) OK?

4 SECTION 7. 66.1105 (4) (gm) 1. of the statutes is amended to read:

5 66.1105 (4) (gm) 1. Describes the boundaries, which may, but need not, be the
 6 same as those recommended by the planning commission, of a tax incremental
 7 district with sufficient definiteness to identify with ordinary and reasonable
 8 certainty the territory included in the district. The boundaries of the tax incremental
 9 district may not include any territory that was not within the boundaries of the city
 10 on January 1, 2000, unless 3 years have elapsed since the territory was annexed by
 11 the city or unless the city enters into a ^{Cooperative plan} boundary agreement, under s. 66.0307, with
 12 the town from which the territory was annexed. If the city enters into a boundary
 13 agreement under s. 66.0307 with the town, the city may compensate the town for tax
 14 revenues lost by the town as a result of annexation. The boundaries shall include
 15 only those whole units of property as are assessed for general property tax purposes.
 16 Property standing vacant for an entire 7-year period immediately preceding
 17 adoption of the resolution creating a tax incremental district may not comprise more
 18 than 25% of the area in the tax incremental district, unless the tax incremental
 19 district is suitable for industrial sites under subd. 4. a. and the local legislative body
 20 implements an approved project plan to promote industrial development within the
 21 meaning of s. 66.1101. In this subdivision, "vacant property" includes property
 22 where the fair market value or replacement cost value of structural improvements
 23 on the parcel is less than the fair market value of the land. In this subdivision,

1 “vacant property” does not include property acquired by the local legislative body
2 under ch. 32 or property included within the abandoned Park East freeway corridor
3 or the abandoned Park West freeway corridor in Milwaukee County. #

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5.

****NOTE: I believe that the amendment of s. 66.1105 (4) (gm) 1. achieves most of the intent of the first instruction under “policy” proposal number 12, “Restrictions on greenfield TIDs” but I have no idea what the instructions mean when they refer to “a border agreement” and “a boundary agreement.” Is the cross reference to s. 66.0307 what you had in mind? If not, please let me know what kind of “border agreement” or “boundary agreement” you are thinking of.

4 SECTION 8. 66.1105 (4) (gm) 4. c. of the statutes is amended to read: subd. 4. c.

5 66.1105 (4) (gm) 4. c. Either the equalized value of taxable property of the
6 district plus all existing districts does not exceed 7% of the total equalized value of
7 taxable property within the city or the equalized value of taxable property of the
8 district plus the value increment of all existing districts within the city does not
9 exceed 5% of the total equalized value of taxable property within the city. The
10 calculations required under this ~~subdivision paragraph~~ shall be based on the most
11 recent values of taxable property of the district that are certified by the department
12 of revenue as of the year in which a resolution is adopted under this paragraph.

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105.

13 SECTION 9. 66.1105 (4) (gm) 6. of the statutes is created to read:

14 66.1105 (4) (gm) 6. Declares that the district is a blighted area district, a
15 rehabilitation or conservation district, or an industrial district, based on the
16 identification and classification of the property included within the district under
17 par. (c) and subd. 4. a. If the district is not exclusively blighted, rehabilitation or
18 conservation, or industrial, the declaration under this subdivision shall be based on
19 which classification is predominant with regard to the area described in subd. 4. a.

20 SECTION 10. 66.1105 (4) (h) 2. of the statutes is amended to read:

1 66.1105 (4) (h) 2. Except as provided in subds. 3. and 4., not more than once
 2 during the 10 years after the creation of a tax incremental district that was created
 3 before October 1, 1995 or 7 years after the date on which any other tax incremental
 4 district is created, the planning commission may adopt an amendment to a project
 5 plan under subd. 1. to modify the district's boundaries by ~~reducing the size of the~~
 6 ~~district~~ ^{from the district} ~~by~~ subtracting territory ~~or by~~ adding territory to the district that is
 7 contiguous to the district and that is served by public works or improvements that
 8 were created as part of the district's project plan. Expenditures for project costs that
 9 are incurred because of an amendment to a project plan to which this subdivision
 10 applies may be made for not more than 3 years after the date on which the local
 11 legislative body adopts a resolution amending the project plan.

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5.

****NOTE: I believe that this amendment of s. 66.1105 (4) (h) (1) addresses your instruction # 19 under "policy" proposals, but I'm not sure what the first part of the instruction means when it says that the 10 year amendment period "is to apply only to those TIDS . . . [that] have identical overlying taxing jurisdictions." Identical to what? Consequently, I did not address this instruction in the amendment of sub. (4) (h) (1).

2.

12 **SECTION 11.** 66.1105 (4m) (a) of the statutes is amended to read:

13 66.1105 (4m) (a) Any city that seeks to create a tax incremental district or
 14 amend a project plan shall convene a temporary joint review board under this
 15 paragraph, or a standing joint review board under sub. (3) (g), to review the proposal.
 16 The Except as provided in par. (am), the board shall consist of one representative
 17 chosen by the school district that has power to levy taxes on the property within the
 18 tax incremental district, one representative chosen by the technical college district
 19 that has power to levy taxes on the property within the tax incremental district, one
 20 representative chosen by the county that has power to levy taxes on the property
 21 within the tax incremental district, one representative chosen by the city and one

1 public member. If more than one school district, more than one union high school
 2 district, more than one elementary school district, more than one technical college
 3 district or more than one county has the power to levy taxes on the property within
 4 the tax incremental district, the unit in which is located property of the tax
 5 incremental district that has the greatest value shall choose that representative to
 6 the board. The public member and the board's chairperson shall be selected by a
 7 majority of the other board members before the public hearing under sub. (4) (a) or
 8 (h) 1. is held. All board members shall be appointed and the first board meeting held
 9 within 14 days after the notice is published under sub. (4) (a) or (h) 1. Additional
 10 meetings of the board shall be held upon the call of any member. The city that seeks
 11 to create the tax incremental district or to amend its project plan shall provide
 12 administrative support for the board. By majority vote, the board may disband
 13 following approval or rejection of the proposal, unless the board is a standing board
 14 that is created by the city under sub. (3) (g).

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105.

15 **SECTION 12.** 66.1105 (4m) (am) of the statutes is created to read:

16 66.1105 (4m) (am) If a city seeks to create a tax incremental district that is
 17 located in a union high school district, the seat that is described under par. (a) for the
 18 school board representative to the ~~board~~ ^{board} shall be held by two representatives, each
 19 of whom ~~have~~ ^{has} one-half of a vote. One representative shall be chosen by the union
 20 high school district that has the power to levy taxes on the property within the tax
 21 incremental district and one representative shall be chosen by the elementary school
 22 district that has the power to levy taxes on the property within the tax incremental
 23 district.

24 **SECTION 13.** 66.1105 (4m) (b) 2. of the statutes is amended to read:

1 66.1105 (4m) (b) 2. Except as provided in subd. 2m. and subject to subd. 4., no
 2 tax incremental district may be created and no project plan may be amended unless
 3 the board approves the resolution adopted under sub. (4) (gm) or (h) 1. by a majority
 4 vote not less than ~~10 days nor more than 30~~ 14 days after receiving the resolution.
 5 The board may not approve the resolution under this subdivision unless the board's
 6 approval contains a positive assertion that, in its judgment, the development
 7 described in the documents the board has reviewed under subd. 1. would not
 8 occur without the creation of a tax incremental district.

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5.

9 **SECTION 14.** 66.1105 (4m) (b) 2m. of the statutes is amended to read:

10 66.1105 (4m) (b) 2m. The requirement under subd. 2. that a vote by the board
 11 take place not less than ~~10 days nor more than 30~~ 14 days after receiving a resolution
 12 does not apply to a resolution amending a project plan under sub. (4) (h) 1. if the
 13 resolution relates to a tax incremental district, the application for the
 14 redetermination of the tax incremental base of which was made in 1998, that is
 15 located in a village that was incorporated in 1912, has a population of at least 3,800
 16 and is located in a county with a population of at least 108,000.

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5.

****NOTE: Does the the amendment of sub. (4m) (b) 2m., and the similar amendment in sub. (4m) (b) 2. achieve your intent? Instruction # 22 in the "policy" proposals refers to "the 30 day period between approval of a Project Plan ~~and~~ by the City Plan Commission and approval by the City Council", but no such time period exists in s. 66.1105. The only time period of "not less than 10 days nor more than 30 days" is in s. 66.1105 (4m) (b) 2. and 2m.

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17 **SECTION 15.** 66.1105 (4m) (b) 4. of the statutes is created to read:

18 66.1105 (4m) (b) 4. Not later than 5 working days after submitting its decision
 19 under subd. 3., any member of the board may request that the department of revenue
 20 review any of the documents listed in subd. 1. to determine whether the information

1 submitted to the board complies with this section or whether any of the information
 2 contains a factual inaccuracy. The request must be in writing and must specify which
 3 particular fact or item the member believes is incomplete or inaccurate. Not later
 4 than 5 working days after receiving a request that complies with the requirements
 5 of this subdivision, the department of revenue shall investigate the issues raised in
 6 the request and shall send its written response to the board. If the department of
 7 revenue determines that the information in the proposal does not comply with this
 8 section or contains a factual inaccuracy, the department shall return the proposal to
 9 the board. The board shall request that the city resolve the problems in its proposal
 10 and resubmit the proposal to the board. The board shall review the resubmitted
 11 proposal and vote to approve or deny the proposal as specified in this paragraph.

****NOTE: This subdivision is drafted a little differently than your instructions requested. The instructions said that the board shall correct any problems that are uncovered, but it is the *city's* proposal that contains the errors. I required the city to correct the errors and resubmit the proposal. See item # 4 in the drafter's note.

12 SECTION 16. 66.1105 (4m) (b) 5. of the statutes is created to read:

13 66.1105 (4m) (b) 5. The board shall notify prospectively the governing body of
 14 every local governmental unit that is not represented on the board, and that has
 15 power to levy taxes on the property within the tax incremental district, of meetings
 16 of the board and of the agendas of each meeting for which notification is given.

****NOTE: Does this subdivision meet your intent? I don't know how the joint review board could give prospective notice of its actions, however, so I did not execute this instruction.

17 SECTION 17. 66.1105 (4m) (d) of the statutes is created to read:

18 66.1105 (4m) (d) The board may recommend to the department of revenue that
 19 a tax incremental district that is suitable for industrial sites under sub. (4) (gm) 4(a).
 20 be allowed to remain in existence for five years after the date on which it would

5

1 otherwise be required to terminate, for a total of 10 years after the last expenditure
2 in the district's project plan is made, as described in sub. (7) (ae).

3 **SECTION 18.** 66.1105 (5) (a) of the statutes is amended to read:

4 66.1105 (5) (a) Upon Subject to sub. (8) (d), upon the creation of a tax
5 incremental district or upon adoption of any amendment subject to par. (c), its tax
6 incremental base shall be determined as soon as reasonably possible.

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5.

7 **SECTION 19.** 66.1105 (5) (b) of the statutes is amended to read:

8 66.1105 (5) (b) Upon application in writing by the city clerk, in a form
9 prescribed by the department of revenue, the department shall determine according
10 to its best judgment from all sources available to it the full aggregate value of the
11 taxable property and, except as provided in par. (bm), of the city-owned property in
12 the tax incremental district. The Subject to sub. (8) (d), the department shall certify
13 this aggregate valuation to the city clerk, and the aggregate valuation constitutes the
14 tax incremental base of the tax incremental district. The city clerk shall complete
15 these forms, including forms for the amendment of a project plan, and submit the
16 application or amendment forms on or before December 31 of the year the tax
17 incremental district is created, as defined in sub. (4) (gm) ^{plain period} or, in the case of an
18 amendment, on or before December 31 of the year in which the changes to the project
19 plan take effect. ^{score period}

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105.

20 **SECTION 20.** 66.1105 (5) (c) of the statutes is amended to read:

21 66.1105 (5) (c) If the city adopts an amendment to the original project plan for
22 any district which includes additional project costs at least part of which will be
23 incurred after the period specified in sub. (6) (am) 1., the tax incremental base for the

1 district shall be redetermined, if sub. (4) (h) 2., 3. or 4. applies to the amended project
2 plan, by adding to the tax incremental base the value of the taxable property and the
3 value of real property owned by the city, other than property described in par. (b^m),
4 that is added to the existing district under sub. (4) (h) 2., 3. or 4. or, if sub. (4) (h) 2.,
5 3. or 4. does not apply to the amended project plan, under par. (b), as of the January
6 1 next preceding the effective date of the amendment if the amendment becomes
7 effective between January 2 and September 30, as of the next subsequent January
8 1 if the amendment becomes effective between October 1 and December 31 and if the
9 effective date of the amendment is January 1 of any year, the redetermination shall
10 be made on that date. The tax incremental base as redetermined under this
11 paragraph is effective for the purposes of this section only if it exceeds the original
12 tax incremental base determined under par. (b).

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105.

13 **SECTION 21. 66.1105 (5) (ce) of the statutes is amended to read:**

14 66.1105 (5) (ce) If the city adopts an amendment, to which sub. (4) (h) 2., 3. or
15 4. applies, the tax incremental base for the district shall be redetermined, by adding
16 to the tax incremental base the value of the taxable property and the value of real
17 property owned by the city, other than property described in par. (b^m), that is added
18 to the existing district under sub. (4) (h) 2., 3. or 4., as of the January 1 next preceding
19 the effective date of the amendment if the amendment becomes effective between
20 January 2 and September 30, as of the next subsequent January 1 if the amendment
21 becomes effective between October 1 and December 31 and if the effective date of the
22 amendment is January 1 of any year, the redetermination shall be made on that date.
23 The tax incremental base as redetermined under this paragraph is effective for the

1 purposes of this section only if it exceeds the original tax incremental base
2 determined under par. (b).

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105.

3 SECTION 22. 66.1105 (5) (d) of the statutes is amended to read:

4 66.1105 (5) (d) The department of revenue may not certify the tax incremental
5 base as provided in par. (b) until it determines that each of the procedures and
6 documents required by sub. (4) (a), (b), (gm) or (h) and par. (b) has been timely
7 completed and all notices required under sub. (4) (a), (b), (gm) or (h) timely given.
8 The facts supporting any document adopted or action taken to comply with sub. (4)
9 (a), (b), (gm) or (h) are not subject to review by the department of revenue under this
10 paragraph, except that notwithstanding the general prohibition against the
11 department's review of the facts supporting any document adopted or action taken
12 to comply with sub. (4) (gm), the department may not certify the tax incremental base
13 as provided in par. (b) until it reviews and approves of the findings that are described
14 in sub. (4) (gm) 4. c.

LPS: Fix COMPONENT

remove scored period

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105.

15 SECTION 23. 66.1105 (6) (a) of the statutes is amended to read:

16 (intro.) 66.1105 (6) (a) If the joint review board approves the creation of the tax
17 incremental district under sub. (4m), positive tax increments with respect to a tax
18 incremental district are allocated to the city which created the district for each year
19 commencing after the date when a project plan is adopted under sub. (4) (g). The
20 department of revenue may not authorize allocation of tax increments until it
21 determines from timely evidence submitted by the city that each of the procedures
22 and documents required under sub. (4) (d) to (f) has been completed and all related
23 notices given in a timely manner. The department of revenue may authorize

renumbered 66.1105 (6) (a) (intro.) and

1 SECTION 25. 66.1105 (6) (am) 1. of the statutes is renumbered 66.1105 (6) (am)

2 1. a. and amended to read:

3 66.1105 (6) (am) 1. a. For a tax incremental district that is created after
 4 September 30, 1995, and before the effective date of this subdivision [revisor
 5 inserts date], no expenditure may be made later than 7 years after the tax
 6 incremental district is created, ~~and for~~.

7 b. For a tax incremental district that is created before October 1, 1995, no
 8 expenditure may be made later than 10 years after the tax incremental district is
 9 created, except that, for a tax incremental district that is created before October 1,
 10 1995, and which receives tax increments under par. (d), no expenditure may be made
 11 later than 12 years after the tax incremental district is created.

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5.

12 SECTION 26. 66.1105 (6) (am) 1. c. of the statutes is created to read:

13 66.1105 (6) (am) 1. c. For a tax incremental district that is created on or after
 14 the effective date of this subdivision [revisor inserts date], all expenditures shall

15 be substantially completed no later than 10 years after the tax incremental district
 16 is created, except that, ~~for~~ *with regard to a tax incremental district that has been declared* an industrial district ~~as that term is used in~~ *under* sub. (4) (gm)
 17 6., no expenditure may be made later than 10 years after the industrial tax
 18 incremental district is created.

***NOTE: This subdivision paragraph is consistent with your intent in "policy" proposal # 5, but it seems a little vague, and I'm not sure that the phrase "substantially completed" works with the language in subs. (5) (c) and (6m) (b) 2. Subsections (5) (c) and (6m) (b) 2. require the redetermination of a TID's base if an amendment to the project plan includes costs which at least in part are incurred "after the period *specified* in sub. (6) (am)." It seems to me that it sometimes may be hard to determine whether a TID's base needs to be redetermined, or when it is "12 months after the end of a period specified in sub. (am) 1." because a "period specified" connotes a definite period of time, rather than the more vague notion of whether something is "substantially" completed.

19 SECTION 27. 66.1105 (6) (e) 1. d. of the statutes is created to read:

1 66.1105 (6) (e) 1. d. The donor tax incremental district has in its special fund,
2 as described under par. (c), sufficient revenues to pay for all project costs that have
3 been incurred, or are expected to be incurred, under the project plan for that district.

4 **SECTION 28.** 66.1105 (6) (e) 2. of the statutes is repealed.

5 **SECTION 29.** 66.1105 (7) (ae) of the statutes is created to read:

6 66.1105 (7) (ae) Notwithstanding par. (am), five years after the last
7 expenditure identified in the project plan is made if the district to which the plan
8 relates is created on or after the effective date of this paragraph [revisor inserts
9 date] and if the district is suitable for industrial sites under sub. (4) (gm) 4. a., except
10 that if the joint review board recommends to the department of revenue that the
11 district be allowed to continue in existence for an additional five years after the date
12 on which the district would otherwise be required to terminate under this paragraph,
13 and if the department of revenue agrees to the recommendation, such a district
14 terminates 10 years after the last expenditure identified in the project plan is made.

^{c.}
****NOTE: The creation of sub. (7) (ae) relates to the second instruction in item # 12
of the "policy" proposals. I chose a 5 year termination date because under the changes
in sub. (6) (am) 1, a TID created on or after the effective date of the bill may make
expenditures for 10 years after the TID is created.

15 **SECTION 30.** 66.1105 (8) (title) of the statutes is amended to read:

16 66.1105 (8) (title) NOTICE OF DISTRICT TERMINATION, REPORTING REQUIREMENTS.

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; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5.

17 **SECTION 31.** 66.1105 (8) (c) of the statutes is created to read:

18 66.1105 (8) (c) Not later than 60 days after a city transmits to the department
19 of revenue the notice required under par. (a) the city shall send to the department,
20 on a form prepared by the department, all of the following information that relates
21 to the terminated tax incremental district:

22 1. A final accounting of all expenditures made by the city.

1 2. The total amount of project costs incurred by the city.

2 3. The total amount of positive tax increments received by a city.

 ***NOTE: Does subd. 3. meet your intent? The instructions referred to "TIF revenues" and I'm not sure what that means. Also, your instructions did not specify any time limit for the submission of the form. Is 60 days OK?

3 **SECTION 32.** 66.1105 (8) (d) of the statutes is created to read:

4 66.1105 (8) (d) If a city does not send to the department of revenue the form
5 specified in par. (c) within the time limit specified in par. (c), the department may
6 not certify the certify the tax incremental base of a tax incremental district under
7 sub. (5) (a) and (b) until the form is sent to the department.

8 **SECTION 33.** 66.1105 (15) of the statutes is created to read:

9 66.1105 (15) SUBSTANTIAL COMPLIANCE. Substantial compliance with subs. (3),
10 (4), and (4m) by a city or village that creates, or attempts to create, a tax incremental
11 district is sufficient to give effect to any proceedings conducted under this section if,
12 in the opinion of the department of revenue, any error, irregularity, or informality
13 that exists in the city's or village's attempts to comply with subs. (3), (4), and (4m)
14 does not affect substantial justice. If the department of revenue determines that a
15 city or village has substantially complied with subs. (3), (4), and (4m), the
16 department of revenue shall determine the tax incremental base of the district,
17 allocate tax increments, and treat the district in all other respects as if the
18 requirements under subs. (3), (4), and (4m) had been strictly complied with based on
19 the date that the resolution described under sub. (4) (gm) 2. is adopted.

20 **SECTION 34.** 73.03 (56) of the statutes is created to read:

21 73.03 (56) To create, and update, a manual on the tax incremental finance
22 program under s. 66.1105. The manual shall contain the rules relating to the
23 program, common problems faced by cities and villages under the program, possible

1 side effects on the use of tax incremental financing, and any other information the
2 department determines is appropriate. The department may consult with, and
3 solicit the views of, any interested person while preparing or updating the manual. ✓

4 SECTION 35. Laws of 1975, chapter 105, section 1 (1) and (2) are amended to
5 read:

6 [Laws of 1975, chapter 105] Section 1 (1) The legislature finds that the existing
7 system of allocating aggregate property tax revenues among tax levying
8 municipalities has resulted in significant inequities and disincentives. The cost of
9 public works or improvements within a city ~~or~~, village, or town that is located in a
10 county that does not contain any cities or villages, has been borne entirely by the city
11 ~~or~~, village, or town that is located in a county that does not contain any cities or
12 villages, while the expansion of tax base which is stimulated, directly or indirectly,
13 by such improvements, benefits not only the city ~~or~~, village, or town that is located
14 in a county that does not contain any cities or villages, but also all municipalities
15 which share such tax base. This situation is inequitable. Moreover, when the cost
16 to a city ~~or~~, village, or town that is located in a county that does not contain any cities
17 or villages of a public improvement project exceeds the future benefit to the city ~~or~~,
18 village, or town that is located in a county that does not contain any cities or villages,
19 resulting therefrom, the city ~~or~~, village, or town that is located in a county that does
20 not contain any cities or villages, may decide not to undertake such project. This
21 situation has resulted in the postponement or cancellation of socially desirable
22 projects.

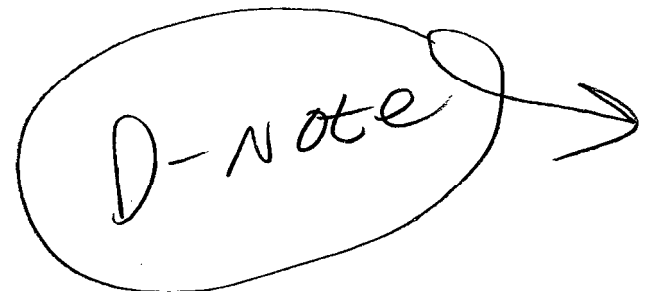
23 (2) The legislature further finds that accomplishment of the vital and beneficial
24 public purposes of sections 66.405 to 66.425, 66.43, 66.431, 66.435 and 66.52 of the
25 statutes, is being frustrated because of a lack of incentives and financial resources.

1 The purpose of this act is to create a viable procedure by which a city ~~or~~, village, or
2 town that is located in a county that does not contain any cities or villages, through
3 its own initiative and efforts, may finance projects which will tend to accomplish
4 these laudable objectives.

5 **SECTION 36. Initial applicability.**

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

8 (END)



A handwritten note consisting of the text "D-note" written in a cursive style, enclosed within a hand-drawn oval. An arrow points from the right side of the oval towards the right edge of the page.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2253/?dn

MES:Y....

Representative Lehman:

Please review this draft very carefully to insure that it meets your intent. There are quite a few changes of time periods or deadlines in certain statutes, and some of these statutes are interrelated with, or contingent on, time periods or deadlines in other statutes. In addition, you may want the department of revenue to review the draft, especially the timing changes. I have done this bill as a preliminary draft because I have a number of questions and comments that must be resolved before I can produce an introducible version of the bill. Some of the questions or comments are contained in the text of the bill as "*****NOTES" and some are listed here.

1. As your instructions specified, based on the Governor's Working Group on TIF, the wording in created s. 66.1105 (15) is based on s. 62.71 (13), although I'm not sure what the legal effect is of the standard in ss. 62.71 (13) and 66.1105 (15), "not affecting substantial justice."

2. Problem # 2 in the "technical" proposals states, in part, that "territory amendments have no value limit restrictions." I don't think this is the case, so I did not execute the instruction to "amend the statutes to specify that territory amendments to TIDS will be subject to the value limit restrictions not required for new TIDS." Section 66.1105 (4) (h) 2., which allows the amendment of a project plan, refers back to 66.1105 (4) (h) 1., which requires the same findings as provided in par. (g), which requires the adoption of a resolution under s. 66.1105 (4) (gm). That resolution, in s. 66.1105 (4) (gm) 4. c., contains the value limits. Consequently, I believe that an amendment to a project plan is already subject to the value limit restrictions.

3. I believe that the amendment of s. 66.1105 (4m) (a) and the creation of par. (am) are consistent with your instructions, but I'm not sure that your instructions address all of the potential situations and I'm not sure how s. 66.1105 (4m) (a) works under current law. For example, how is representation on a joint review board to be handled if a proposed TID is partly in a school district and partly in a union high school district? Currently, how is representation on a joint review board handled if a proposed TID is in a union high school district and wholly in one of the underlying elementary districts? The property of the TID in such a case does not contain property that has a greater value in one of the districts because all of the TID is in both districts.

4. Please review carefully created s. 66.1105 (4m) (b) 4.; the instructions for this item, "policy" proposal 2, the second item under "Resolved", are a little unclear to me. First,

two

seven

ten

it seems unusual to allow a member to ask for DOR review after all the hearings and reviews have taken place, and after the city has been notified of the board's decision. Second, the instructions state that if DOR finds an error or ambiguity in a "TIF filing", DOR shall return the filing to the board for "correction and/or clarification." This last part of the instruction doesn't make sense to me. A member of the board has asked for a DOR review of the proposal submitted by a city. If DOR finds a problem, it's in the materials submitted by the city. Consequently, it doesn't make sense to me to require the board to "correct or clarify" the city's proposal. In created s. 66.1105 (4m) (b) 4., I required the city to correct the problem and resubmit the proposal, and the board to review the resubmitted proposal. Is this OK?

5. I increased from 7 years to 10 years the length of time during which expenditures may be made under s. 66.1105 (6) (am) 1. I couldn't tell from your instructions, however, whether you wanted to change the time after which a tax increment may not be allocated under s. 66.1105 (6) (a) or the time after which a TID must terminate under s. 66.1105 (7) (am). Is this OK, or did you want a change made in sub. (6) (a) or (7) (am)?

see s. 66.1105 (6) (a) 5, and 6.

6. The creation of s. 60.23 (32) and the amendment of the Laws of 1975, chapter 105, section 1 (1) and (2) accomplishes the intent of your instruction # 17 in the "policy" proposals to allow towns that are located in counties with no cities or villages to use TIF, but I believe that should this provision become law, it could be challenged as a violation of Article IV, section 23, of the Wisconsin Constitution. That provision states that "The legislature shall establish but one system of town government, which shall be as nearly uniform as practicable . . ." It could be argued that the proposal to allow TIF to be used only by towns in Menominee County and Florence County is inconsistent with the constitutional requirement that the legislature create "but one system of town government."

7. Instruction # 22 of the "policy" proposals states that "[c]urrent law requires a time lapse of 10 to 30 days from action on a proposed TID by the municipal planning body, and action by the municipal governing body" and requests that this time period be changed to "not less than 14 days." There is no statutory requirement under current law, however, that relates to a time lapse for action on a proposed TID by the city planning commission and the common council. There is a "not less than 10 days nor more than 30 days" requirement for action by a joint review board on a resolution adopted by a common council under sub. (4m) (b) 2. and 2m., and I've amended these provisions. Is this your intent? Also see s. 66.1105 (4) (b), (c), (d), and (e).

8. With regard to the creation of a standing joint review board under s. 66.1105 (3) (g) and (4m) (a), as described in "policy" proposal # 26, do you want a city or village that is acting under s. 66.1106, the environmental remediation TIF statute, to be able to require the use of a standing joint review board under s. 66.1106 (3) (d)?

two

Marc E. Shovers
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E-mail: marc.shovers@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2253/P1dn
MES:cjs:jf

June 5, 2001

Representative Lehman:

Please review this draft very carefully to insure that it meets your intent. There are quite a few changes of time periods or deadlines in certain statutes, and some of these statutes are interrelated with, or contingent on, time periods or deadlines in other statutes. In addition, you may want the department of revenue to review the draft, especially the timing changes. I have done this bill as a preliminary draft because I have a number of questions and comments that must be resolved before I can produce an introducible version of the bill. Some of the questions or comments are contained in the text of the bill as "*****NOTES", and some are listed here.

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4. Please review carefully created s. 66.1105 (4m) (b) 4.; the instructions for this item, "policy" proposal 2, the second item under "Resolved", are a little unclear to me. First,

it seems unusual to allow a member to ask for DOR review after all the hearings and reviews have taken place, and after the city has been notified of the board's decision. Second, the instructions state that if DOR finds an error or ambiguity in a "TIF filing", DOR shall return the filing to the board for "correction and/or clarification." This last part of the instruction doesn't make sense to me. A member of the board has asked for a DOR review of the proposal submitted by a city. If DOR finds a problem, it's in the materials submitted by the *city*. Consequently, it doesn't make sense to me to require the *board* to "correct or clarify" the city's proposal. In created s. 66.1105 (4m) (b) 4., I required the city to correct the problem and resubmit the proposal, and the board to review the resubmitted proposal. Is this OK?

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6. The creation of s. 60.23 (32) and the amendment of the Laws of 1975, chapter 105, section 1 (1) and (2) accomplishes the intent of your instruction # 17 in the "policy" proposals to allow towns that are located in counties with no cities or villages to use TIF, but I believe that should this provision become law, it could be challenged as a violation of article IV, section 23, of the Wisconsin Constitution. That provision states that "The legislature shall establish but one system of town government, which shall be as nearly uniform as practicable . . ." It could be argued that the proposal to allow TIF to be used only by towns in Menominee County and Florence County is inconsistent with the constitutional requirement that the legislature create "but one system of town government."

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8. With regard to the creation of a standing joint review board under s. 66.1105 (3) (g) and (4m) (a), as described in "policy" proposal # 26, do you want a city or village that is acting under s. 66.1106, the environmental remediation TIF statute, to be able to require the use of a standing joint review board under s. 66.1106 (3) (d)?

Marc E. Shovers
Senior Legislative Attorney
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INSTRUCTIONS
for 11

based on
b0820/1

Instructions for TIF language modifications – Version 3

Representative Michael Lehman and WEDA TIF Coalition compromise
on TIF Law modification in 2001-2002 State Budget, 7-9-2001.

Prepared by Andrew Nowlan, Rep. Lehman's Staff

These drafting instructions are based on LRBb0820/1 and Mickey's first set of drafting instructions.

1) Section 2003s – Delete entire section.

2) Section 2029sb – Leave as is.

3) Section 2029sc – Delete entire section.

4) Section 2029sd – Delete entire section.

5) Section 2029se – Leave as is.

6) Section 2029sf – Page 3, Line 21: substitute "January 1st, 2002" for "January 1st, 2000". Also: insert the phrase "at least" after "unless". Also: Line 22, allow annexed territory to be included within a TID if the city that annexes the territory agrees to pay the municipality from which the land was annexed the amount of property taxes levied on the territory to be included in the TID, at the time of annexation, for each of the next succeeding five years after the territory is annexed. If a municipality agrees to make these payments, allow them to be included as a project cost for the TID.

town

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66.1105
(2)(f)l.m

Also: Line 23: after "with the town from which the territory was annexed" insert "or other agreement with the town approving the annexation."

7) Section 2029sg – Page 4, Lines 19-21: where the language refers to "the most recent values of taxable property of the district" please make a reference to 70.57(1)(m), the equalized value of the property. Also, Line 21: substitute "prior to the date" for "of the year".

8) Section 2029sh – Leave as is.

9) Section 2029si – Page 5, Lines 6-8: delete "that was created before October 1, 1995 or 7 years after the date on which any other tax incremental district is created".

Also, Line 15: after "...resolution amending the project plan" insert "or the original cut-off date whichever is more."

p. 66, 1105 (4)(h) 2.

10) Section 2029sj through Section 2029sm – Leave as is.

11) Section 2029sn – Page 8, Line 8 substitute "city" for "board". Also: Page 7, Line 19: substitute "a majority of board members" for "any member of the board". Page

this is in § 2029so, which is supposed to be unchanged, according to instruction # 12



7, Line 24: substitute "10 working days" for "5 working days"; also, limit review of TIF application to the objective facts required of a TIF filing. Also, include language to be provided by DOR relating to application of TIF filing fee to cover costs associated with new staff position to be created within DOR for the purposes of reviewing submitted TIF applications. The fee can only be used to fund this one FTE position. This application fee will be TIF eligible.

I have no language from DOR
See attached

12) Section 2029so – Leave as is.

13) Section 2029sp – Delete this entire section.

14) Section 2029sq through Section 2029sv – Leave as is.

15) Section 2029sw – Page 12, Lines 5-6: delete “, and before the effective date of this subdivision ... [revisor inserts date]”.

16) Section 2029sx – Page 12, Line 8: delete “Fifteen or”. Also, Lines 8-10: delete: “, depending on the joint review board’s recommendation under sub. (4m) (d) and the department of revenue’s action described under sub. (7) (ae),”.

17) Section 2029sy – Delete entire section. Then, in Chapter 66.1105(7)(am) change 16 to 13.

18) Section 2029sz – Leave as is.

19) Section 2029tag – Page 13, Line 7: delete “substantially”. Also, Lines 8-10: delete “except that, with regard... ..tax incremental district is created”.

20) Section 2029tb through Section 2029te – Leave as is.

21) Section 2029tf – Page 14, Line 8: substitute “prescribed” for “prepared”.

22) Section 2029tg through Section 2029th – Leave as is.

23) Section 2205n – Leave as is.

24) Section 4034r – Delete in its entirety.

25) Item 5 – Page 17: Change the effective date to October 1, 2002.

Marc, we also want to make a few of additions:

26) The first comes from Bill Ford regarding a town’s environmental remediation TID:

66.1106(11) of the statutes is created to read:

(11) If a city or village annexes property from a town and if the town is using tax incremental financing under this section to remediate environmental pollution on all or part of the property, the city or village shall pay to the town that portion of the eligible costs properly attributed to the property that is annexed. The city or village and the town shall negotiate an agreement that implements this section.

27) The second (also from Bill Ford) is to add a provision to amend 66.1105(4)(h)1 to provide that an amendment to a project plan requires the same findings as provided in paragraph (g) and (gm)4.c. This is necessary to clarify a recent misunderstanding as to whether an amended TID is subject to the percentage of value limitations that apply to the newly created TID.

28) The third addition will provide that "project cost" do not include cash grants made to owners, lessees or developers of land within the tax incremental district unless recipient of grant has signed a development agreement with the city.

29) The fourth addition is to incorporate LRB 1341/4 into this draft.

30) The fifth addition comes from DOR:

Suggestion for statutory changes to implement territory detachments redetermination and subsequent increment valuation:

66.1105(4)(h)(2) and (5)c) and (5)(ce)

"to modify the district's boundaries by adding or subtracting territory to the district that is contiguous or does not remove contiguity to the district;" Add reference to removal of related project costs for subtraction of territory.

It appears that the subsequent increment valuation determination would be covered for the subtraction of territory as well as addition.

DOR's concern is that the Senate amendment does not specify a redetermination of base for reductions nor does it clarify the treatment of project costs associated with removed territory.

31) Create new section that will limit the life of an Industrial TID to 10 years after the expenditure period (for a total of 20 years).

32) Amend section 66.1105(4)(e): Change 30 days to 14 days.

(6)(a) 5.
+
(7)(ae)

Shovers, Marc

From: Nowlan, Andrew
Sent: Tuesday, September 04, 2001 11:45 AM
To: Shovers, Marc
Subject: DOR FTE position



TIF Administrative
Funding 1FT...

Andrew Nowlan
Andrew.Nowlan@legis.state.wi.us (work)
Fourlakes_99@yahoo.com (home)

TIF Administrative Funding ---

The Department of Revenue's work to administer the Tax Incremental Financial (TIF) program is currently performed by a variety of staff funded with GPR. Most of these staff have numerous other duties and administrative review of TIF documents is only a portion of their workload. One Madison staff person spends 100% of her time working on TIF.

The proposals under consideration as part of SB 55 (the biennial budget) would considerably expand the department's current role in TIF, bringing a heavier workload to department staff. The attached summary provides a review of this additional workload. Department TIF staff have estimated that these increased responsibilities will require an additional position within the TIF program.

DOR proposes funding one new TIF FTE through a fee assessed to municipalities who create new TIFs or change existing TIFs. Approximately 750 tax incremental districts (TIDs) exist currently and approximately 100 changes to those TIDs and/or creations of new TIDs are expected on an annual basis. A fee of between \$800 and \$1,000 per transaction would be required to support the costs associated with the new TIF position. The fee would be reviewed periodically and adjusted up or down as needed to cover costs.

The following changes would be required to implement such a fee to fund TIF administrative costs:

- Create the authority in ch. 66 for DOR to assess a fee to municipalities for TIF administration. The fee would be set by DOR and the amount of the fee would be determined by DOR based on the necessary and reasonable costs of administering TIF. Fees would be assessed at the time of a TID's creation or amendment.
- Create a new program revenue appropriation in s. 20.566(1) funded by the fee assessed to municipalities. The appropriation would be used to fund staff and general administrative expenses of TIF oversight within DOR.
- Fund 1.0 FTE (one new auditor) from the new PR appropriation. Funding needed: \$35,850 FY02 (half year) and \$60,900 FY03.

9/4/01:
Andrew
says to
make the
fee
\$1,000



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-2253/H1

MES:cjs/7/2

RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-note

WANTED:
9/11
Tues
by noon

reger

1 AN ACT to repeal 66.1105 (6) (e) 2.; to renumber and amend 66.1105 (6) (a) and
2 66.1105 (6) (am) 1.; to amend 66.1105 (2) (f) 3., 66.1105 (2) (i), 66.1105 (2) (j),
3 66.1105 (4) (gm) 1., 66.1105 (4) (gm) 4. c., 66.1105 (4) (h) 2., 66.1105 (4m) (a),
4 66.1105 (4m) (b) 2., 66.1105 (4m) (b) 2m., 66.1105 (5) (a), 66.1105 (5) (b), 66.1105
5 (5) (c), 66.1105 (5) (ce), 66.1105 (5) (d) and 66.1105 (8) (title); to create 60.23
6 (32), 66.1105 (2) (f) 2. d., 66.1105 (3) (g), 66.1105 (4) (gm) 6., 66.1105 (4m) (am),
7 66.1105 (4m) (b) 4., 66.1105 (4m) (b) 5., 66.1105 (4m) (d), 66.1105 (6) (a) 5.,
8 66.1105 (6) (a) 6., 66.1105 (6) (am) 1. c., 66.1105 (6) (e) 1. d., 66.1105 (7) (ae),
9 66.1105 (8) (c), 66.1105 (8) (d), 66.1105 (15) and 73.03 (56) of the statutes; and
10 to affect Laws of 1975, chapter 105, section 1 (1) and (2); relating to: making
11 technical and policy changes in the tax incremental financing program based
12 on the recommendations of the governor's working group on tax incremental
13 finance. and modifying the environmental remediation
tax incremental financing program

Analysis by the Legislative Reference Bureau

~~To be provided in a future version of the draft.~~

→ INS ANL

↓

SDC:.....Keckhaver - CN1096, Implement the recommendations of the DOR tax incremental financing task force

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

LPS: Thaw
all bill section
numbers

1 At the locations indicated, amend the substitute amendment as follows:

2 1. ~~Page 669, line 17: after that line insert:~~

3 "SECTION 2003s. 60.23 (32) of the statutes is created to read:

4 60.23 (32) TOWN TAX INCREMENT POWERS. If the town is located in a county which
5 does not have any cities or villages, exercise all powers of cities under s. 66.1105. If
6 the town board exercises the powers of a city under s. 66.1105, it is subject to the same
7 duties as a common council under s. 66.1105 and the town is subject to the same
8 duties and liabilities as a city under s. 66.1105."

INS
1-8

9 2. ~~Page 682, line 22: after that line insert:~~

10 3. SECTION ~~2029~~sb. 66.1105 (2) (f) 3. of the statutes is amended to read:

1 66.1105 (2) (f) 3. Notwithstanding subd. 1., project costs may not include any
2 expenditures made or estimated to be made or monetary obligations incurred or
3 estimated to be incurred by the city for newly platted residential development for any
4 tax incremental district for which a project plan is approved after September 30,
5 1995, or for which an amendment of a project plan is approved after the effective date
6 of this subdivision [revisor inserts date].

7 **SECTION 2029sc.** 66.1105 (2) (i) of the statutes is amended to read:

8 66.1105 (2) (i) "Tax increment" means that amount obtained by multiplying the
9 total county, city, school and other local general property taxes levied on all taxable
10 property within a tax incremental district in a year by a fraction having as a
11 numerator the value increment for that year in the district and as a denominator that
12 year's equalized value of all taxable property in the district. In any year, a tax
13 increment is "positive" if the value increment is positive; it is "negative" if the value
14 increment is negative. With regard to a tax incremental district that has been
15 declared an industrial district under sub. (4) (gm) 6., the calculation under this
16 paragraph may not include the value of any residential property and may not include
17 the value of any improved property on which more than 35% of the improved square
18 footage is devoted to retail operations, including any storage areas or warehouses
19 that contain merchandise that could be sold on-site at retail as part of an on-site
20 retail operation.

21 **SECTION 2029sd.** 66.1105 (2) (j) of the statutes is amended to read:

22 66.1105 (2) (j) "Tax incremental base" means the aggregate value, as equalized
23 by the department of revenue, of all taxable property located within a tax
24 incremental district on the date as of which the district is created, determined as
25 provided in sub. (5) (b). The base of districts created before October 1, 1980, does not

1 include the value of property exempted under s. 70.111 (17). With regard to a tax
 2 incremental district that has been declared an industrial district under sub. (4) (gm)
 3 6., the calculation under this paragraph may not include the value of any residential
 4 property and may not include the value of any improved property on which more than
 5 35% of the improved square footage is devoted to retail operations, including any
 6 storage areas or warehouses that contain merchandise that could be sold on-site at
 7 retail as part of an on-site retail operation.

8 ~~SECTION 2029~~ se. 66.1105 (3) (g) of the statutes is created to read:

9 66.1105 (3) (g) Create a standing joint review board that may remain in
 10 existence for the entire time that any tax incremental district exists in the city. All
 11 of the provisions that apply to a joint review board that is convened under sub. (4m)
 12 (a) apply to a standing joint review board that is created under this paragraph. A
 13 city may disband a joint review board that is created under this paragraph at any
 14 time.

15 ~~SECTION 2029~~ sf. 66.1105 (4) (gm) 1. of the statutes is amended to read:

16 66.1105 (4) (gm) 1. Describes the boundaries, which may, but need not, be the
 17 same as those recommended by the planning commission, of a tax incremental
 18 district with sufficient definiteness to identify with ordinary and reasonable
 19 certainty the territory included in the district. The boundaries of the tax incremental
 20 district may not include any territory that was not within the boundaries of the city
 21 on January 1, ~~2000~~ ²⁰⁰² unless ^{at least} 3 years have elapsed since the territory was annexed by
 22 the city, ^{or} unless the city enters into a cooperative plan boundary agreement, under
 23 s. 66.0307, ^{or unless the city and town enter into another kind of agreement} with the town from which the territory was annexed. If the city enters
 24 into a cooperative plan boundary agreement under s. 66.0307 with the town, the city
 25 may compensate the town for tax revenues lost by the town as a result of annexation.

JNS
3-14

relating to the
annexation

1 The boundaries shall include only those whole units of property as are assessed for
 2 general property tax purposes. Property standing vacant for an entire 7-year period
 3 immediately preceding adoption of the resolution creating a tax incremental district
 4 may not comprise more than 25% of the area in the tax incremental district, unless
 5 the tax incremental district is suitable for industrial sites under subd. 4. a. and the
 6 local legislative body implements an approved project plan to promote industrial
 7 development within the meaning of s. 66.1101. In this subdivision, "vacant property"
 8 includes property where the fair market value or replacement cost value of structural
 9 improvements on the parcel is less than the fair market value of the land. In this
 10 subdivision, "vacant property" does not include property acquired by the local
 11 legislative body under ch. 32 or property included within the abandoned Park East
 12 freeway corridor or the abandoned Park West freeway corridor in Milwaukee County.

13 SECTION ~~2029~~sg. 66.1105 (4) (gm) 4. c. of the statutes is amended to read:

14 66.1105 (4) (gm) 4. c. Either the equalized value of taxable property of the
 15 district plus all existing districts does not exceed 7% of the total equalized value of
 16 taxable property within the city or the equalized value of taxable property of the
 17 district plus the value increment of all existing districts within the city does not
 18 exceed 5% of the total equalized value of taxable property within the city. The
 19 calculations required under this subd. 4. c. shall be based on the most recent ^{equalized} values
 20 of taxable property of the district that ^{is} reported under s. 70.57 (1m) ^{by the department of revenue as}
 21 ~~at the time~~ before the date on which a resolution is adopted under this paragraph.

22 SECTION ~~2029~~sh. 66.1105 (4) (gm) 6. of the statutes is created to read:

23 66.1105 (4) (gm) 6. Declares that the district is a blighted area district, a
 24 rehabilitation or conservation district, or an industrial district, based on the
 25 identification and classification of the property included within the district under

✓
INS
5-3

1 par. (c) and subd. 4. a. If the district is not exclusively blighted, rehabilitation or
2 conservation, or industrial, the declaration under this subdivision shall be based on
3 which classification is predominant with regard to the area described in subd. 4. a.

4 SECTION ~~2029~~sj. 66.1105 (4) (h) 2. of the statutes is amended to read:

5 66.1105 (4) (h) 2. Except as provided in subds. 3. and 4., not more than once
6 during the ~~10 years after the creation of a tax incremental district that was created~~

7 ~~before October 1, 1995 or~~ 7 years after the ~~(date on which any other)~~ tax incremental

8 district is created, the planning commission may adopt an amendment to a project
9 plan under subd. 1. to modify the district's boundaries by subtracting territory from
10 in a way that does not remove contiguity from the district
11 the district or by adding territory to the district that is contiguous to the district and

12 that is served by public works or improvements that were created as part of the
13 district's project plan. Expenditures for project costs that are incurred because of an
14 amendment to a project plan to which this subdivision applies may be made for not
15 more than 3 years after the date on which the local legislative body adopts a
16 resolution amending the project plan.

INS 5-15 ✓

17 SECTION ~~2029~~sj. 66.1105 (4m) (a) of the statutes is amended to read:

18 66.1105 (4m) (a) Any city that seeks to create a tax incremental district or
19 amend a project plan shall convene a temporary joint review board under this
20 paragraph, or a standing joint review board under sub. (3) (g), to review the proposal.

21 The Except as provided in par. (am), the board shall consist of one representative
22 chosen by the school district that has power to levy taxes on the property within the
23 tax incremental district, one representative chosen by the technical college district
24 that has power to levy taxes on the property within the tax incremental district, one
25 representative chosen by the county that has power to levy taxes on the property
within the tax incremental district, one representative chosen by the city and one

1 public member. If more than one school district, more than one union high school
 2 district, more than one elementary school district, more than one technical college
 3 district or more than one county has the power to levy taxes on the property within
 4 the tax incremental district, the unit in which is located property of the tax
 5 incremental district that has the greatest value shall choose that representative to
 6 the board. The public member and the board's chairperson shall be selected by a
 7 majority of the other board members before the public hearing under sub. (4) (a) or
 8 (h) 1. is held. All board members shall be appointed and the first board meeting held
 9 within 14 days after the notice is published under sub. (4) (a) or (h) 1. Additional
 10 meetings of the board shall be held upon the call of any member. The city that seeks
 11 to create the tax incremental district or to amend its project plan shall provide
 12 administrative support for the board. By majority vote, the board may disband
 13 following approval or rejection of the proposal, unless the board is a standing board
 14 that is created by the city under sub. (3) (g).

15 SECTION ~~2029sk.~~ 66.1105 (4m) (am) of the statutes is created to read:

16 66.1105 (4m) (am) If a city seeks to create a tax incremental district that is
 17 located in a union high school district, the seat that is described under par. (a) for the
 18 school board representative to the board shall be held by 2 representatives, each of
 19 whom has one-half of a vote. One representative shall be chosen by the union high
 20 school district that has the power to levy taxes on the property within the tax
 21 incremental district and one representative shall be chosen by the elementary school
 22 district that has the power to levy taxes on the property within the tax incremental
 23 district.

24 SECTION ~~2029SL.~~ 66.1105 (4m) (b) 2. of the statutes is amended to read:

1 66.1105 (4m) (b) 2. Except as provided in subd. 2m. and subject to subd. 4., no
2 tax incremental district may be created and no project plan may be amended unless
3 the board approves the resolution adopted under sub. (4) (gm) or (h) 1. by a majority
4 vote not less than 10 days ~~nor more than 30~~ 14 days after receiving the resolution.
5 The board may not approve the resolution under this subdivision unless the board's
6 approval contains a positive assertion that, in its judgment, the development
7 described in the documents the board has reviewed under subd. 1. would not occur
8 without the creation of a tax incremental district.

9 ~~SECTION 2029~~ sm. 66.1105 (4m) (b) 2m. of the statutes is amended to read:

10 66.1105 (4m) (b) 2m. The requirement under subd. 2. that a vote by the board
11 take place not less than 10 days ~~nor more than 30~~ 14 days after receiving a resolution
12 does not apply to a resolution amending a project plan under sub. (4) (h) 1. if the
13 resolution relates to a tax incremental district, the application for the
14 redetermination of the tax incremental base of which was made in 1998, that is
15 located in a village that was incorporated in 1912, has a population of at least 3,800
16 and is located in a county with a population of at least 108,000.

17 ~~SECTION 2029~~ sn. 66.1105 (4m) (b) 4. of the statutes is created to read:

18 66.1105 (4m) (b) 4. Not later than 5 working days after submitting its decision
19 under subd. 3., ~~any member~~ ^{a majority of the members} of the board may request that the department of revenue
20 review ^{the objective facts contained in} any of the documents listed in subd. 1. to determine whether the information
21 submitted to the board complies with this section or whether any of the information
22 contains a factual inaccuracy. The request must be in writing and must specify which
23 particular ^{objective} fact or item the member ^s believes is incomplete or inaccurate. Not later
24 than ¹⁰ working days after receiving a request that complies with the requirements
25 of this subdivision, the department of revenue shall investigate the issues raised in

1 the request and shall send its written response to the board. If the department of
2 revenue determines that the information in the proposal does not comply with this
3 section or contains a factual inaccuracy, the department shall return the proposal to
4 the ~~board~~ ^{city}. The board shall request that the city resolve the problems in its proposal
5 and resubmit the proposal to the board. The board shall review the resubmitted
6 proposal and vote to approve or deny the proposal as specified in this paragraph.

7 SECTION ~~2029~~ ^{so.} 66.1105 (4m) (b) 5. of the statutes is created to read:

8 66.1105 (4m) (b) 5. The board shall notify prospectively the governing body of
9 every local governmental unit that is not represented on the board, and that has
10 power to levy taxes on the property within the tax incremental district, of meetings
11 of the board and of the agendas of each meeting for which notification is given.

12 SECTION ~~2029~~ ^{sp.} 66.1105 (4m) (d) of the statutes is created to read:

13 66.1105 (4m) (d) During the 15th year of the tax incremental district's
14 existence, the board may recommend to the department of revenue that a tax
15 incremental district that is suitable for industrial sites under sub. (4) (gm) 4. a. be
16 allowed to remain in existence for up to 5 years after the date on which it would
17 otherwise be required to terminate, for a total of up to 10 years after the last
18 expenditure in the district's project plan is made, as described in sub. (7) (ae). The
19 board may make such a recommendation only if it reviews and reapproves the
20 findings under sub. (4) (gm) 4. c. and reapproves its decision under par. (c).

21 SECTION ~~2029~~ ^{sq.} 66.1105 (5) (a) of the statutes is amended to read:

22 66.1105 (5) (a) ~~Upon~~ Subject to sub. (8) (d), upon the creation of a tax
23 incremental district or upon adoption of any amendment subject to par. (c), its tax
24 incremental base shall be determined as soon as reasonably possible. ^{not} The department of
revenue may impose

25 SECTION ~~2029~~ ^{sr.} 66.1105 (5) (b) of the statutes is amended to read:

a fee of \$1,000 on a
city to determine or
redetermine the
tax incremental base of a tax
incremental district under this
subsection.

1 66.1105 (5) (b) Upon application in writing by the city clerk, in a form
 2 prescribed by the department of revenue, the department shall determine according
 3 to its best judgment from all sources available to it the full aggregate value of the
 4 taxable property and, except as provided in par. (bm), of the city-owned property in
 5 the tax incremental district. The Subject to sub. (8) (d), the department shall certify
 6 this aggregate valuation to the city clerk, and the aggregate valuation constitutes the
 7 tax incremental base of the tax incremental district. The city clerk shall complete
 8 these forms, including forms for the amendment of a project plan, and submit the
 9 application or amendment forms on or before December 31 of the year the tax
 10 incremental district is created, as defined in sub. (4) (gm) 2. or, in the case of an
 11 amendment, on or before December 31 of the year in which the changes to the project
 12 plan take effect.

13 ~~SECTION 2029~~st. 66.1105 (5) (c) of the statutes is amended to read:

14 66.1105 (5) (c) If the city adopts an amendment to the original project plan for
 15 any district ^{which reduces project costs by subtracting territory from the district} which includes additional project costs at least part of which will be
 16 incurred after the period specified in sub. (6) (am) 1., the tax incremental base for the
 17 district shall be redetermined, if sub. (4) (h) 2., 3. or 4. ² applies to the amended project
 18 plan, ^{either} by ~~subtracting from the tax incremental base the value of the taxable property that is~~
 19 value of real property owned by the city, other than property described in par. (bm),
 20 that is added to the existing district under sub. (4) (h) 2., 3. ^{or 4.} or, if sub. (4) (h) 2.,
 21 3. ^{or 4.} does not apply to the amended project plan, under par. (b), as of the January
 22 1 next preceding the effective date of the amendment if the amendment becomes
 23 effective between January 2 and September 30, as of the next subsequent January
 24 1 if the amendment becomes effective between October 1 and December 31 and if the
 25 effective date of the amendment is January 1 of any year, the redetermination shall

either

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With regard to a district to which territory has been added, the

1 be made on that date. ~~The~~ tax incremental base as redetermined under this
2 paragraph is effective for the purposes of this section only if it exceeds the original
3 tax incremental base determined under par. (b).

4 SECTION ~~2022~~su. 66.1105 (5) (ce) of the statutes is amended to read:

5 66.1105 (5) (ce) If the city adopts an amendment, to which sub. (4) (h) 2., 3., or
6 ~~that is subtracting from the tax incremental base the value of the taxable property~~
7 4. applies, the tax incremental base for the district shall be redetermined, by adding
8 either to the tax incremental base the value of the taxable property and the value of real
9 property owned by the city, other than property described in par. (brn), that is added
10 to the existing district under sub. (4) (h) 2., 3., or 4., as of the January 1 next preceding
11 the effective date of the amendment if the amendment becomes effective between
12 January 2 and September 30, as of the next subsequent January 1 if the amendment
13 becomes effective between October 1 and December 31 and if the effective date of the
14 amendment is January 1 of any year, the redetermination shall be made on that date.

15 ~~The~~ tax incremental base as redetermined under this paragraph is effective for the
16 purposes of this section only if it exceeds the original tax incremental base
17 determined under par. (b).

18 SECTION ~~2022~~sv. 66.1105 (5) (d) of the statutes is amended to read:

19 66.1105 (5) (d) The department of revenue may not certify the tax incremental
20 base as provided in par. (b) until it determines that each of the procedures and
21 documents required by sub. (4) (a), (b), (gm) or (h) and par. (b) has been timely
22 completed and all notices required under sub. (4) (a), (b), (gm) or (h) timely given.
23 The facts supporting any document adopted or action taken to comply with sub. (4)
24 (a), (b), (gm) or (h) are not subject to review by the department of revenue under this
25 paragraph, except that notwithstanding the general prohibition against the
department's review of the facts supporting any document adopted or action taken

1 to comply with sub. (4) (gm), the department may not certify the tax incremental base
2 as provided in par. (b) until it reviews and approves of the findings that are described
3 in sub. (4) (gm) 4. c.

4 SECTION ~~2029~~sw. 66.1105 (6) (a) of the statutes is renumbered 66.1105 (6) (a)
5 (intro.) and amended to read:

6 66.1105 (6) (a) (intro.) If the joint review board approves the creation of the tax
7 incremental district under sub. (4m), positive tax increments with respect to a tax
8 incremental district are allocated to the city which created the district for each year
9 commencing after the date when a project plan is adopted under sub. (4) (g). The
10 department of revenue may not authorize allocation of tax increments until it
11 determines from timely evidence submitted by the city that each of the procedures
12 and documents required under sub. (4) (d) to (f) has been completed and all related
13 notices given in a timely manner. The department of revenue may authorize
14 allocation of tax increments for any tax incremental district only if the city clerk and
15 assessor annually submit to the department all required information on or before the
16 2nd Monday in June. The facts supporting any document adopted or action taken
17 to comply with sub. (4) (d) to (f) are not subject to review by the department of revenue
18 under this paragraph. After the allocation of tax increments is authorized, the
19 department of revenue shall annually authorize allocation of the tax increment to
20 the city that created the district until the soonest of the following events:

21 1. The department of revenue receives a notice under sub. (8) and the notice
22 has taken effect under sub. (8) (b), ~~27.~~

23 2. Twenty-seven years after the tax incremental district is created if the
24 district is created before October 1, 1995, ~~38.~~

1 3. ~~Thirty-eight~~ years after the tax incremental district is created if the district
 2 is created before October 1, 1995, and the project plan is amended under sub. (4) (h)
 3 3.-or-23

4 4. ~~Twenty-three~~ years after the tax incremental district is created if the district
 5 is created after September 30, 1995, ~~whichever is sooner and before the effective~~
 6 ~~date of this subdivision ... [revisor inserts date].~~

7 SECTION 2029~~sz.~~^{sy.} 66.1105 (6) (a) 5. of the statutes is created to read:

8 66.1105 (6) (a) 5. ~~Fifteen or 20~~^{Twenty} years ~~depending on the joint review board's~~
 9 ~~recommendation under sub. (4m) (d) and the department of revenues action~~
 10 ~~(described under sub. (7) (am))~~ after the tax incremental district is created if the
 11 district is created on or after the effective date of this subdivision [revisor inserts
 12 date], and if the district is suitable for industrial sites under sub. (4) (gm) 4. a.

13 ~~SECTION 2029sz.~~^{sy.} 66.1105 (6) (a) 6. of the statutes is created to read:

14 66.1105 (6) (a) 6. ~~Twenty-six~~ years after the tax incremental district is created
 15 if the district is created on or after the effective date of this subdivision [revisor
 16 inserts date], and if the district, under sub. (4) (gm) 6., is a blighted area district or
 17 a rehabilitation or conservation district.

18 SECTION 2029~~sz.~~^{sz.} 66.1105 (6) (am) 1. of the statutes is renumbered 66.1105 (6)
 19 (am) 1. a. and amended to read:

20 66.1105 (6) (am) 1. a. For a tax incremental district that is created after
 21 September 30, 1995, and before the effective date of this subd. 1. a. [revisor inserts
 22 date], no expenditure may be made later than 7 years after the tax incremental
 23 district is created, and for.

24 b. For a tax incremental district that is created before October 1, 1995, no
 25 expenditure may be made later than 10 years after the tax incremental district is

1 created, except that, for a tax incremental district that is created before October 1,
2 1995, and which receives tax increments under par. (d), no expenditure may be made
3 later than 12 years after the tax incremental district is created.

4 SECTION 2029~~ag~~[✓]. 66.1105 (6) (am) 1. c. of the statutes is created to read:

5 66.1105 (6) (am) 1. c. For a tax incremental district that is created on or after
6 the effective date of this subd. 1. c. [revisor inserts date], all expenditures shall
7 be ~~substantially~~ completed no later than 10 years after the tax incremental district
8 is created, ~~except that, with regard to a tax incremental district that has been~~
9 ~~declared an industrial district under sub. (4) (gm) 6., no expenditure may be made~~
10 ~~later than 10 years after the industrial tax incremental district is created.~~

11 SECTION 2029~~ab~~[✓]. 66.1105 (6) (e) 1. d. of the statutes is created to read:

12 66.1105 (6) (e) 1. d. The donor tax incremental district has in its special fund,
13 as described under par. (c), sufficient revenues to pay for all project costs that have
14 been incurred, or are expected to be incurred, under the project plan for that district.

15 SECTION 2029~~ac~~[✓]. 66.1105 (6) (e) 2. of the statutes is repealed.

16 SECTION 2029~~ad~~[✓]. 66.1105 (7) (ae) of the statutes is created to read:

17 66.1105 (7) (ae) Notwithstanding par. (am), ~~4~~¹⁰ years after the last expenditure
18 identified in the project plan is made if the district to which the plan relates is created
19 on or after the effective date of this paragraph [revisor inserts date], and if the
20 district is suitable for industrial sites under sub. (4) (gm) 4. a. ~~except that if the joint~~
21 ~~review board recommends under sub. (4m) (d) to the department of revenue that the~~
22 ~~district be allowed to continue in existence for up to an additional 5 years after the~~
23 ~~date on which the district would otherwise be required to terminate under this~~
24 ~~paragraph, and if the department of revenue agrees to the recommendation, such a~~

FNS
14-2

1 district terminates up to 10 years after the last expenditure identified in the project
2 plan is made.

3 SECTION 2029te. 66.1105 (8) (title) of the statutes is amended to read:

4 66.1105 (8) (title) NOTICE OF DISTRICT TERMINATION, REPORTING REQUIREMENTS.

5 SECTION 2029tf. 66.1105 (8) (c) of the statutes is created to read:

6 66.1105 (8) (c) Not later than 60 days after a city transmits to the department
7 of revenue the notice required under par. (a) the city shall send to the department,
8 on a form ~~prescribed~~ ^{prescribed} by the department, all of the following information that relates
9 to the terminated tax incremental district:

- 10 1. A final accounting of all expenditures made by the city.
- 11 2. The total amount of project costs incurred by the city.
- 12 3. The total amount of positive tax increments received by a city.

13 SECTION 2029tg. 66.1105 (8) (d) of the statutes is created to read:

14 66.1105 (8) (d) If a city does not send to the department of revenue the form
15 specified in par. (c) within the time limit specified in par. (c), the department may not
16 certify the tax incremental base of a tax incremental district under sub. (5) (a) and
17 (b) until the form is sent to the department.

18 SECTION 2029th. 66.1105 (15) of the statutes is created to read:

19 66.1105 (15) SUBSTANTIAL COMPLIANCE. Substantial compliance with subs. (3),
20 (4) (a), (b), (c), (d), (e), and (f), and (4m) by a city or village that creates, or attempts
21 to create, a tax incremental district is sufficient to give effect to any proceedings
22 conducted under this section if, in the opinion of the department of revenue, any
23 error, irregularity, or informality that exists in the city's or village's attempts to
24 comply with subs. (3), (4) (a), (b), (c), (d), (e), and (f), and (4m) does not affect
25 substantial justice. If the department of revenue determines that a city or village has

1 substantially complied with subs. (3), (4) (a), (b), (c), (d), (e), and (f), and (4m), the
 2 department of revenue shall determine the tax incremental base of the district,
 3 allocate tax increments, and treat the district in all other respects as if the
 4 requirements under subs. (3), (4) (a), (b), (c), (d), (e), and (f), and (4m) had been
 5 strictly complied with based on the date that the resolution described under sub. (4)
 6 (gm) 2. is adopted.

JNS
15-6A
from 1341
JNS 15-6B
from 2253/115

3. Page 836, line 24: after that line insert:

~~SECTION 2205n.~~ SECTION 73.03 (57) of the statutes is created to read:

73.03 (57) To create, and update, a manual on the tax incremental finance
 program under s. 66.1105. The manual shall contain the rules relating to the
 program, common problems faced by cities and villages under the program, possible
 side effects on the use of tax incremental financing, and any other information the
 department determines is appropriate. The department may consult with, and
 solicit the views of, any interested person while preparing or updating the manual.

JNS
15-14

4. Page 1281, line 6: after that line insert:

~~"SECTION 4034r. Laws of 1975, chapter 105, section 1 (1) and (2) are amended
 to read:~~

~~[Laws of 1975, chapter 105] Section 1 (1) The legislature finds that the existing
 system of allocating aggregate property tax revenues among tax levying
 municipalities has resulted in significant inequities and disincentives. The cost of
 public works or improvements within a city or village, or town that is located in a
 county that does not contain any cities or villages has been borne entirely by the city
 or village, or town that is located in a county that does not contain any cities or
 villages, while the expansion of tax base which is stimulated, directly or indirectly,~~

1 by such improvements, benefits not only the city or, village, or town that is located
2 in a county that does not contain any cities or villages but also all municipalities
3 which share such tax base. This situation is inequitable. Moreover, when the cost
4 to a city or, village, or town that is located in a county that does not contain any cities
5 or villages of a public improvement project exceeds the future benefit to the city or,
6 village, or town that is located in a county that does not contain any cities or villages
7 resulting therefrom, the city or, village, or town that is located in a county that does
8 not contain any cities or villages may decide not to undertake such project. This
9 situation has resulted in the postponement or cancellation of socially desirable
10 projects.

11 (2) The legislature further finds that accomplishment of the vital and beneficial
12 public purposes of sections 66.405 to 66.425, 66.43, 66.431, 66.435 and 66.52 of the
13 statutes, is being frustrated because of a lack of incentives and financial resources.
14 The purpose of this act is to create a viable procedure by which a city or, village, or
15 town that is located in a county that does not contain any cities or villages, through
16 its own initiative and efforts, may finance projects which will tend to accomplish
17 these laudable objectives.”

18 **5.** Page 1415, line 14: after that line insert:

19 “(7w) TAX INCREMENTAL FINANCING TASK FORCE RECOMMENDATIONS. The treatment
20 of sections 60.23 (32), 66.1105 (2) (f) 3., (i), and (j), (3) (g), (4) (gm) 1., 4. c., and 6. and
21 (h) 2., (4m) (a), (am), (b) 2., 2m., 4., and 5., and (d), (5) (a), (b), (c), (ce), and (d), (6) (am)
22 1. d. and 2., (7) (ae), (8) (title), (e), and (d), and (15), and 73.03 (57) of the statutes and
23 chapter 105, laws of 1975, section 1 (1) and (2), the renumbering and amendment of
24 section 66.1105 (6) (a) and (am) 1. of the statutes, and the creation of section 66.1105

(✓)

9 Sec. # Initial applicability. This act first applies to
 1 (b)(a) 5. and 6. and (am) 1 c of the statutes first apply to a tax incremental district
 2 that is created, or whose project plan is amended, on the effective date of this
 3 subsection.

and to an environmental remediation tax
 incremental, INS 17-3

INS 17-1

(B)

9(1)

9 Sec. # Effective date. This act takes effect
 on October 1, 2002.

(END)