

2001 DRAFTING REQUEST

Senate Amendment (SA-AB510)

Received: **02/28/2002**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Mark Meyer (608) 266-5490**

By/Representing: **Grant**

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

Drafter: **shoveme**

May Contact:

Addl. Drafters:

Subject: **Counties - miscellaneous
Munis - tax incrmntal financing**

Extra Copies:

Submit via email: **NO**

Pre Topic:

No specific pre topic given

Topic:

Tax incremental financing, environmental remediation tax incremental financing, brownfields

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	shoveme 03/04/2002	csicilia 03/04/2002	pgreensl 03/04/2002	_____	lrb_docadmin 03/04/2002	lrb_docadmin 03/04/2002	
/2	shoveme 03/05/2002	csicilia 03/05/2002	pgreensl 03/05/2002	_____	lrb_docadmin 03/05/2002	lrb_docadmin 03/05/2002	

FE Sent For:

<END>

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/1	shoveme 03/04/2002	csicilia 03/04/2002	pgreensl 03/04/2002	<u>3/5</u>	lrb_docadmin 03/04/2002	lrb_docadmin 03/04/2002	

(2 MES
FE Sent For:

3/5/02
1/2 cjs 3/5
02

3/5 pg/kjk
<END>

Stripes
requested

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1/?	shoveme	1 gjs 3/4/02	3/4	3/4			
11 MES	3/4/02		ps	ps/RB			

FE Sent For:

<END>

Instructions

Shovers, Marc

From: Huber, Grant
Sent: Wednesday, February 20, 2002 4:17 PM
To: Shovers, Marc
Subject: drafting request

*specimens 3/6/02
add Don Dykes stuff*

Hi Marc,

Senator Meyer is interested in drafting legislation related to changes to the TIF laws.

There were some recommendations shared with Mark that he feels would be helpful to Brownfield Redevelopment

Rather than amending AB 510 could stand-alone legislation be drafted that would accomplish the following two items:

1. Include delinquent taxes as an eligible cost, where the County can demonstrate it has not already recovered those costs by increasing the levies charged to other properties.
2. Extend the ER TIF time period from 16 to 23 years.

Please let me know if you have any questions or need further information.

Thanks,

Grant Huber
Senator Mark Meyer's office
6-5490

*2/27 Grant called
& said to do this
as an Am. To
AB 510, as well
as Don Dyke's
WLC 0245/1*

Instructions

**SENATE AMENDMENT ,
TO ASSEMBLY BILL 510**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 7, line 21: delete “agrees” and substitute “pledges”.

3 **2.** Page 7, line 22: delete “and makes such a payment”.

4 **3.** Page 7, line 23: after the period insert “If as the result of a pledge by the city to pay
5 the town an amount equal to the property taxes levied on the territory by the town at the time
6 of the annexation for each of the next 5 successive years the city includes territory in a tax
7 incremental district that was not within the boundaries of the city on January 2, 2002, the city’s
8 pledge is enforceable by the town from which the territory was annexed.”.

9 **4.** Page 30, line 16: delete the material on lines 16 to 20 and substitute:

10 “(1) Except as provided in subs. (2), (3) and (4), this act first applies to a tax incremental
11 district that is created on the effective date of this subsection.

12 (2) The treatment of section 66.1105 (2) (f) 1. i. and 2. d., (3) (g), (4) (e), (gm) 1. and
13 6. and (h) 2., (4m) (a), (am) and (b) 2., 2m., 4. and 5., (5) (a) (as it relates to the department
14 of revenue’s certification of a tax incremental base), (b), (c), and (ce), (6) (e) 1. d. and 2., (7)
15 (ae) and (am) and (8) (title), (c) and (d) of the statutes, the renumbering and amendment of
16 section 66.1105 (6) (a) and (am) 1. of the statutes, and the creation of section 66.1105 (6) (a)
17 5. and (am) 1. c. of the statutes first applies to a tax incremental district that is created on
18 October 1, 2003.

INSTRUCTIONS

1 (3) This act first applies to an environmental remediation tax incremental district, the
2 written remediation proposal for which is approved by the political subdivision's governing
3 body on the effective date of this subsection.

4 (4) The treatment of section 66.1105 (2) (f) 1. e. and 2. d., (4) (gm) 1. and (h) 2., (4m)
5 (b) 2. and 4., (5) (b), (c), (ce) and (d) and (6) (e) 1. d. first applies to an amendment to a tax
6 incremental district project plan that becomes effective on October 1, 2003.”.

7 **5.** On page 4, line 10 of the material inserted by assembly amendment 1: delete “and
8 (15)”.

9 **6.** On page 4, line 13: substitute “2003” for “2002”.

COMMENT: Items 4., 5. and 6. of the amendment affect the initial applicability and effective date provisions of the bill. In general terms, with this amendment, the initial applicability and effective date provisions of the bill are as follows:

1. The remedial provisions, the substantial compliance provision, and the provisions affecting environmental remediation tax incremental districts take effect on the first day of the 4th month after publication.
2. The department of revenue fee and position provisions take effect on January 1, 2002.
3. The substantive provisions (with the exception of those indicated in items 1. and 2., above) take effect on October 1, 2003.
4. The substantial compliance provision and the provisions affecting environmental remediation tax incremental districts first apply to districts created on the first day of the 4th month after publication.
5. The provisions relating to tax incremental district project plan amendments first apply to amendments that become effective on October 1, 2003.
6. The substantive provisions (with the exception of those listed under items 4. and 5., above) first apply to districts created on October 1, 2003.



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBa14207
MES

gs
RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SENATE AMENDMENT,

TO 2001 ASSEMBLY BILL 510

D-Note

WANTED
MON.
3 PM
FN 3/3

INS 1-1

1 At the locations indicated, amend the bill as follows:

2 1. Page 19, line 16: after that line insert:

3 I removed the extra line

4 "SECTION 34m. 66.1106 (1) (c) of the statutes is amended to read:

5 66.1106 (1) (c) "Eligible costs" means capital costs, financing costs and
6 administrative and professional service costs, incurred or estimated to be incurred
7 by a political subdivision, for the investigation, removal, containment or monitoring
8 of, or the restoration of soil, air, surface water, sediments or groundwater affected by,
9 environmental pollution, including monitoring costs incurred within 2 years after
10 the date on which the department of natural resources certifies that environmental
11 pollution on the property has been remediated, cancellation of delinquent taxes if the
12 political subdivision demonstrates that it has not already recovered such costs by

1 ~~increasing the levies charge~~ ^{any means} ~~on other properties~~ ^{keep} property acquisition costs,
 2 demolition costs including asbestos removal, and removing and disposing of
 3 underground storage tanks or abandoned containers, as defined in s. 292.41 (1),
 4 except that for any parcel of land "eligible costs" shall be reduced by any amounts
 5 received from persons responsible for the discharge, as defined in s. 292.01 (3), of a
 6 hazardous substance on the property to pay for the costs of remediating
 7 environmental pollution on the property, by any amounts received, or reasonably
 8 expected by the political subdivision to be received, from a local, state or federal
 9 program for the remediation of contamination in the district that do not require
 10 reimbursement or repayment and by the amount of net gain from the sale of the
 11 property by the political subdivision. "Eligible costs" associated with groundwater
 12 affected by environmental pollution include investigation and remediation costs for
 13 groundwater that is located in, and extends beyond, the property that is being
 14 remediated."

History: 1997 a. 27; 1999 a. 9; 1999 a. 150 ss. 473 to 478; Stats. 1999 s. 66.1106; 1999 a. 185 s. 59.

2. Page 21, line 7: delete "16" and substitute "16 23".

3. Page 30, line 22 on page 4, line 10 of the material inserted by assembly amendment 1, delete "(8) (title), (c), and (d), and (15)" and substitute "and (8) (title), (c), and (d)".

4. Page 30, line 22 on page 4, line 13 of the material inserted by assembly amendment 1, delete "2002" and substitute "2003".

(END)

INS
2-15

D-note

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBa1420/?dn
MES.....

PLAIN TEXT

Senator Meyer:

I've made a change in this amendment because I think that if it were drafted according to the instructions, the bill as affected by the amendment would not work. The problem is with the initial applicability provision.

With regard to TIDs, in SECTION (67) of the bill, the act first applies to a "a tax incremental district that is created, or whose project plan is amended, on the effective date of [the act]." Under the instructions to the amendment, with regard to TIDs, the act first applies, with some exceptions, to a TID that is *created* on the effective date of the act. Some of the exceptions first apply to a TID that is *created* on October 1, 2003, and some of the exceptions apply to the *amendment* of a TID's project plan that takes effect on October 1, 2003. Consequently, it is unclear when other parts of the bill first apply with regard to a TID whose project plan is amended.

I changed the general initial applicability provision in subdivision (1) such that the act first applies, subject to the exceptions in subdivisions (2), (3), and (4), to a TID that is created, or whose project plan is amended, on the effective date of the act. Is this consistent with your intent?

I also have ^{two} other minor questions. I don't think there is any different legal effect in changing "agrees" to "pledges" on page 7, line 21. Did you intend for there to be some legal effect by changing these terms? Although in the initial applicability provision of this amendment and in Assembly Amendment 1, on page 4, lines 8 and 9, the initial applicability of s. 66. 1105 (5) (a) is limited by stating "(as it relates to the department of revenue's certification of a tax incremental base)". I believe that it would be more accurate to use "determined" instead of "certification"; DOR "determines" the base under par. (5) (a) and "certifies" the valuation under par. (5) (b). Do you want this change made?

Also, please note the change I made in the definition of "eligible costs" in s. 66. 1106 (2)(c). As drafted, cancelled delinquent taxes may be included only if a political subdivision demonstrates that it hasn't recovered such costs "by any other means."

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.state.wi.us

The effective date provision of

subsection

subsections

Sub.

reference to the treatment

delete "years" and substitute

plain period

SENATE AMENDMENT, TO ASSEMBLY BILL 510

years

scored period

At the locations indicated, amend the bill as follows:

- 1 INS
- 2 # Page 7, line 21: delete "agrees" and substitute "pledges".
- 3 # Page 7, line 22: delete "and makes such a payment".
- 4 # Page 7, line 23: ~~after the period insert~~ "If as the result of a pledge by the city to pay
- 5 the town an amount equal to the property taxes levied on the territory by the town at the time
- 6 of the annexation for each of the next 5 successive years, the city includes territory in a tax
- 7 incremental district that was not within the boundaries of the city on January 2, 2002, the city's
- 8 pledge is enforceable by the town from which the territory was annexed."

Fix component

- 9 # Page 30, line 16: delete ~~the material on~~ lines 16 to 20 and substitute:
- 10 (1m) (b) Except as provided in ~~subsections (1) and (2)~~ ^{subsections (1) and (2)}, this act first applies to a tax incremental
- 11 district that is created ^{or whose project plan is amended,} on the effective date of this subsection.
- 12 (2m) (a) ^{Except as provided in subsection (b)} The treatment of section 66.1105 (2) (f) 1. i. and 2. d., (3) (g), (4) (e), (gm) 1. and
- 13 6., and (h) 2., (4m) (a), (am) and (b) 2., 2m., 4., and 5., (5) (a) (as it relates to the department
- 14 of revenue's certification of a tax incremental base), (b), (c), and (ce), (6) (e) 1. d. and 2., (7)
- 15 (ae) and (am) and (8) (title), (c) and (d) of the statutes, the renumbering and amendment of
- 16 section 66.1105 (6) (a) and (am) 1. of the statutes, and the creation of section 66.1105 (6) (a)
- 17 5. and (am) 1. c. of the statutes first ~~applies~~ ^{apply} to a tax incremental district that is created on
- 18 October 1, 2003.

NON STAT INIT APP

INS 2-15, P. 106

*INS
2-151 p. 2002*

3m

1
2
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8
9

(b) This act first applies to an environmental remediation tax incremental district, the written remediation proposal for which is approved by the political subdivision's governing body on the effective date of this subsection.

4m

(c) The treatment of section 66.1105 (2) (f) 1. *i* and 2. d., (4) (gm) 1. and (h) 2., (4m) (b) 2. and 4., (5) (b), (c), *and* (ce) ~~and~~ and (6) (e) 1. d. first applies to *of the statutes* an amendment *of* a tax incremental district project plan that *is* ~~becomes effective~~ on October 1, 2003." *takes effect*

*NON
STAT
INIT
APP*

~~5. On page 4, line 10 of the material inserted by assembly amendment 1; delete "and (15)".~~

6. On page 4, line 13: substitute "2003" for "2002".

COMMENT: Items 4., 5. and 6. of the amendment affect the initial applicability and effective date provisions of the bill. In general terms, with this amendment, the initial applicability and effective date provisions of the bill are as follows:

1. The remedial provisions, the substantial compliance provision, and the provisions affecting environmental remediation tax incremental districts take effect on the first day of the 4th month after publication.
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6. The substantive provisions (with the exception of those listed under items 4. and 5., above) first apply to districts created on October 1, 2003.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBa1420/1dn
MES:cjs:pg

March 4, 2002

Senator Meyer:

I've made a change in this amendment because I think that if it were drafted according to the instructions, the bill as affected by the amendment would not work. The problem is with the initial applicability provision.

With regard to TIDs, in SECTION 67 of the bill, the act first applies to a "a tax incremental district that is created, or whose project plan is amended, on the effective date of [the act]." Under the instructions to the amendment, with regard to TIDs, the act first applies, with some exceptions, to a TID that is *created* on the effective date of the act. Some of the exceptions first apply to a TID that is *created* on October 1, 2003, and some of the exceptions apply to the *amendment* of a TID's project plan that takes effect on October 1, 2003. Consequently, it is unclear when other parts of the bill first apply with regard to a TID whose project plan is amended.

I changed the general initial applicability provision in subsection 1 such that the act first applies, subject to the exceptions in subsections (2), (3), and (4), to a TID that is created, *or whose project plan is amended*, on the effective date of the act. Is this consistent with your intent?

I also have two other minor questions. I don't think there is any different legal effect in changing "agrees" to "pledges" on page 7, line 21. Did you intend for there to be some legal effect by changing these terms? Although in the initial applicability provision of this amendment and in the effective date provision of Assembly Amendment 1, on page 4, lines 8 and 9, the reference to the treatment of s. 66.1105 (5) (a) is limited by stating "(as it relates to the department of revenue's *certification* of a tax incremental base)," I believe that it would be more accurate to use "determined" instead of "certification"; DOR "determines" the base under sub. (5) (a) and "certifies" the valuation under sub. (5) (b). Do you want this change made?

Also, please note the change I made in the definition of "eligible costs" in s. 66.1106 (1) (c). As drafted, cancelled delinquent taxes may be included only if a political subdivision demonstrates that it hasn't recovered such costs "by any other means."

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Phone: (608) 266-0129
E-mail: marc.shovers@legis.state.wi.us



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBa1420/2
MES:cjs:pg

SENATE AMENDMENT,
TO 2001 ASSEMBLY BILL 510

stage
AMR

Wanted
today
1 p.m.

- 1 At the locations indicated, amend the bill as follows:
- 2 1. Page 7, line 21: delete “agrees” and substitute “pledges”.
- 3 2. Page 7, line 22: delete “and makes such a payment”.
- 4 3. Page 7, line 23: delete “years.” and substitute “years. If, as the result of a
- 5 pledge by the city to pay the town an amount equal to the property taxes levied on
- 6 the territory by the town at the time of the annexation for each of the next 5
- 7 successive years, the city includes territory in a tax incremental district that was not
- 8 within the boundaries of the city on January 2, 2002, the city’s pledge is enforceable
- 9 by the town from which the territory was annexed.”.
- 10 4. Page 19, line 16: after that line insert:
- 11 “SECTION 34m. 66.1106 (1) (c) of the statutes is amended to read:
- 12 66.1106 (1) (c) “Eligible costs” means capital costs, financing costs and
- 13 administrative and professional service costs, incurred or estimated to be incurred

1 by a political subdivision, for the investigation, removal, containment or monitoring
2 of, or the restoration of soil, air, surface water, sediments or groundwater affected by,
3 environmental pollution, including monitoring costs incurred within 2 years after
4 the date on which the department of natural resources certifies that environmental
5 pollution on the property has been remediated, cancellation of delinquent taxes if the
6 political subdivision demonstrates that it has not already recovered such costs by
7 any other means, property acquisition costs, demolition costs including asbestos
8 removal, and removing and disposing of underground storage tanks or abandoned
9 containers, as defined in s. 292.41 (1), except that for any parcel of land “eligible
10 costs” shall be reduced by any amounts received from persons responsible for the
11 discharge, as defined in s. 292.01 (3), of a hazardous substance on the property to pay
12 for the costs of remediating environmental pollution on the property, by any amounts
13 received, or reasonably expected by the political subdivision to be received, from a
14 local, state or federal program for the remediation of contamination in the district
15 that do not require reimbursement or repayment and by the amount of net gain from
16 the sale of the property by the political subdivision. “Eligible costs” associated with
17 groundwater affected by environmental pollution include investigation and
18 remediation costs for groundwater that is located in, and extends beyond, the
19 property that is being remediated.”.

20 **5.** Page 21, line 7: delete “16” and substitute “~~16~~ 23”.

21 **6.** Page 30, line 16: delete lines 16 to 20 and substitute:

22 “(1m) Except as provided in subsections (2m) and (4m), this act first applies to
23 a tax incremental district that is created ~~for whose project plan is amended~~
24 effective date of this subsection.

→ in existence on the effective
date of this subsection or that is

