

2001 DRAFTING REQUEST

Bill

Received: 12/05/2000

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-7595**

By/Representing: **Wong**

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

Drafter: **shoveme**

May Contact: **DOR, JK**

Alt. Drafters:

Subject: **Munis - tax incrmntal financing**

Extra Copies: **DOR, JK**

Pre Topic:

DOA:.....Wong -

Topic:

Technical changes, environmental remediation tax incremental financing program

Instructions:

See Attached. Make technical changes to ERTID, based on 1999 LRB -4239/2 and 2 other changes. Talk to DOR if I have questions. DOR said I could include their instructions from LRB -0797 in the file.

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>
/?	shoveme 12/06/2000	csicilia 12/14/2000		_____			S&L
/1			jfrantze 12/15/2000	_____	lrb_docadmin 12/15/2000		S&L
/2	shoveme 12/22/2000	jdyer 12/29/2000	jfrantze 01/02/2001	_____	lrb_docadmin 01/02/2001		S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/3	shoveme 01/05/2001	csicilia 01/09/2001	pgreensl 01/09/2001	_____	lrb_docadmin 01/10/2001		S&L
/4	shoveme 01/11/2001	csicilia 01/11/2001	martykr 01/11/2001	_____	lrb_docadmin 01/11/2001		

FE Sent For:

<END>

2001 DRAFTING REQUEST

Bill

Received: 12/05/2000

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-7595**

By/Representing: **Wong**

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

Drafter: **shoveme**

May Contact: **DOR, JK**

Alt. Drafters:

Subject: **Munis - tax incremental financing**

Extra Copies: **DOR, JK**

Pre Topic:

DOA:.....Wong -

Topic:

Technical changes, environmental remediation tax incremental financing program

Instructions:

See Attached. Make technical changes to ERTID, based on 1999 LRB -4239/2 and 2 other changes. Talk to DOR if I have questions. DOR said I could include their instructions from LRB -0797 in the file.

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>
/?	shoveme 12/06/2000	csicilia 12/14/2000		_____			S&L
/1			jfrantze 12/15/2000	_____	lrb_docadmin 12/15/2000		S&L
/2	shoveme 12/22/2000	jdyer 12/29/2000	jfrantze 01/02/2001	_____	lrb_docadmin 01/02/2001		S&L
			<i>Xm/11</i>	<i>RPW Km/11</i>			

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/3	shoveme 01/05/2001	csicilia 01/09/2001	pgreensl 01/09/2001	_____	lrb_docadmin 01/10/2001		

14 MES 1/11/01
FE Sent For:

14
cjs 1/11
01

<END>

2001 DRAFTING REQUEST

Bill

Received: **12/05/2000**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-7595**

By/Representing: **Wong**

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

Drafter: **shoveme**

May Contact: **DOR, JK**

Alt. Drafters:

Subject: **Munis - tax incrmntal financing**

Extra Copies: **DOR, JK**

Pre Topic:

DOA:.....Wong -

Topic:

Technical changes, environmental remediation tax incremental financing program

Instructions:

See Attached. Make technical changes to ERTID, based on 1999 LRB -4239/2 and 2 other changes. Talk to DOR if I have questions. DOR said I could include their instructions from LRB -0797 in the file.

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>
/?	shoveme 12/06/2000	csicilia 12/14/2000		<i>1/4/01</i>			S&L
/1			jfrantze 12/15/2000	<i>1/15/01</i>	lrb_docadmin 12/15/2000		S&L
/2	shoveme 12/22/2000	jdyer 12/29/2000	jfrantze 01/02/2001		lrb_docadmin 01/02/2001		

*13 MFS 1/5/01
13 cjs 1/9/01
1/9/01
PG*

2001 DRAFTING REQUEST

Bill

Received: 12/05/2000

Received By: shoveme

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 6-7595

By/Representing: Wong

This file may be shown to any legislator: NO

Drafter: shoveme

May Contact: DOR, JK

Alt. Drafters:

Subject: Munis - tax incrmntal financing

Extra Copies: DOR, JK

Pre Topic:

DOA:.....Wong -

Topic:

Technical changes, environmental remediation tax incremental financing program

Instructions:

See Attached. Make technical changes to ERTID, based on 1999 LRB -4239/2 and 2 other changes. Talk to DOR if I have questions. DOR said I could include their instructions from LRB -0797 in the file.

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>
/?	shoveme 12/06/2000	csicilia 12/14/2000					S&L
/1	12 MES 12/22/00	12/29 jk	jfrantze 12/15/2000		lrb_docadmin 12/15/2000		

FE Sent For:

<END>

2001 DRAFTING REQUEST

Bill

Received: 12/05/2000

Received By: shoveme

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 6-7595

By/Representing: Wong

This file may be shown to any legislator: NO

Drafter: shoveme

May Contact: DOR

Alt. Drafters:

Subject: Munis - tax incrmntal financing

Extra Copies: DOR, JK

Pre Topic:

DOA:.....Wong -

Topic:

Technical changes, environmental remediation tax incremental financing program

Instructions:

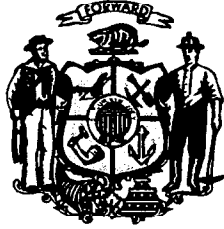
See Attached. Make technical changes to ERTID, based on 1999 LRB -4239/2 and 2 other changes. Talk to DOR if I have questions. DOR said I could include their instructions from LRB -0797 in the file.

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		12/14	12/5			
11 MES 12/6/00							
FE Sent For:							
1 cjs 12/14 00							
<END>							

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: November 29, 2000
To: Steve Miller, LRB
From: Manyee Wong, DOA
266-7595
Subject: Brownfields Statutory Language

I'm forwarding statutory language requests based on the Brownfields Study Group recommendations for inclusion in the budget. Attached is a draft of the Brownfields Study Group Report.

- ✓ 1. Stewardship Liability Exemption: Substitute statutory reference to the stewardship appropriation under the LGU liability exemption provision with the phrase stewardship program funds.

Reason for change: 1999 Wisconsin Act 9 allowed LGUs to qualify for liability exemption if they purchased a property using stewardship funds. However, s. 292.11(9)(e)1m.f., Wis. Stats., referenced the incorrect appropriation.

- ✓ 2. Solid Waste Liability Exemption: Expand the voluntary party solid waste liability exemption to include local government units.
- ✓ 3. Interim Liability Protection: Remove the interim liability protection exemption from current law.
- ✓ 4. Off-site liability exemption: Expand off-site liability exemption coverage to soil and sediments.
- ✓ 5. Voluntary Party Liability Exemption: Clarify that liability exemptions continue to apply to a voluntary party who no longer owns the property, even if the current property owner fails to maintain and monitor the property in accordance with DNR rules.
- ✓ 6. Use of Natural Attenuation: Require the voluntary party using natural attenuation as a remedial strategy to provide DNR, the responsible party, the insurance company, or any authorized representative access to the property in order to determine whether natural attenuation has failed and to conduct cleanup if necessary.
- ✓ 7. Environmental Remediation Tax Increment Financing (ER TIF): Make technical changes to various definitions under the provision:

- a. Create a definition for "environmental remediation tax incremental tax district" similar to the definition of regular TIFs
- b. Change the definitions of "environmental remediation tax increment", "environmental remediation tax increment base", and "taxable property" as suggested by DOR.
- c. Modify certain provisions of the program to ensure eligible application to both contiguous parcels and individual parcel of property.
- d. Require that a certified audit be done once after the final expenditure is completed.
- e. Change the application due date for environmental remediation tax increment base certification from April 1st to December 31st of the year the ER TIF is created.

Note: For a, b, and c, please refer to LRB 4239/2 created under the 1999 legislative session.

- ✓ 8. Negotiated Sale in Lieu of Bidding: Allow a county or a city to transfer tax delinquent properties it owns without using the competitive bid process if the purchaser agrees to conduct a site assessment and cleanup the property in accordance with DNR rules.
- ✓ 9. Assign Judgement of a Tax Deed: Allow a county to transfer a tax deed to an individual at the time of judgement if the individual agrees to conduct a site assessment and cleanup the property.
- ✓ 10. Liens and Back Taxes: Exclude EPA and DNR liens and back taxes from eligibility under the grant.
- ✓ 11. Vehicle Environmental Impact Fee – Extend the repeal date to June 30, 2003.
- ✓ 12. Land Recycling Loan Program: Allow the Land Recycling Loan Program to be used on contiguous parcels of properties so as to better address cleanup of area-wide groundwater contamination.

Issue: Modify Environmental Remediation Tax Incremental Financing (ER TIF) District

Background

The State of Wisconsin created the Environmental Remediation Tax Incremental Financing district (ER TIF), a new type of TIF district, in the 1997-99 State Biennial Budget. Based on recommendations from the 1998 Brownfields Study Group, the ER TIF was modified in the 1999-2001 Biennial Budget in order to make the ER TIF a more useful tool for financing brownfield projects.

The ER TIF allows political subdivisions to pay for specific environmental expenses from the increased property taxes generated from the redeveloped property. Eligible costs include remediation, property acquisition, demolition, underground tank removal, investigation, monitoring and restoration of soil, surface water, groundwater and more.

Proposal

To date not many local governments have utilized the ER TIF. In order to strengthen the law and encourage its use, the Study Group would like to propose the following modifications to further improve the ER TIF:

- include delinquent taxes as an eligible cost;
- extend the ER TIF period of certification from 16 to 23 years; and
- support the Department of Revenue's (DOR) technical changes, which include:
 - creating a definition of "environmental remediation tax incremental district" that is somewhat similar to the definition of "tax incremental district" under the TIF program;
 - making changes to the definitions of "environmental remediation tax increment", "environmental remediation tax incremental base", and "taxable property"; and
 - modifying certain provisions of the program to apply to contiguous parcels of property or land, as well as a parcel of property or land.

Type of Change

Statutory

Resources

None

Comments

Department of Revenue comments: the department has some concerns about allowing delinquent taxes as an eligible cost in ER TIF districts. Many properties have languished with mounting delinquent tax bills because the county or city entity has not initiated tax deed or foreclosure actions. Current statutory authority exists to write-off or reduce delinquent taxes in order to promote development of contaminated property. If this proposal moves forward, serious consideration should be given to limiting the amount of delinquent taxes that can be deemed as an eligible cost for the ER TIF district.

MEMORANDUM

October 23, 2000

from
file
to
- 0797 / 1

TO: Tim Fast
Legislative Reference Bureau

FROM:

SUBJECT: LRB 4239/2 - Environmental Remediation TIFs

The department requests 2 modifications to the draft.

1. Section 9 amends s. 66.462(4)(intro.) to clarify the due dates for applications for base year certification. The draft language specifies a due date of December 31 of the year the ER TID is created, except that if the ER TID is created between October 1 and December 31, the due date is April 1 of the following year. We recommend that the due date for ER TIDs created between October 1 and December 31 be December 31 of the year following the year of creation, rather than April 1. This would conform to the requirements under regular TID law.
2. Section 14 of the draft amends s. 66.462(10)(a) to require the annual report for ER TID to include an independent certified audit of each project to determine if all financial transactions are made in a legal and proper manner.

Rather than an annual certified audit, the department recommends that a certified audit be required 12 months after the last expenditure or 12 months after the end of the expenditure period, whichever comes first.

*from file to
-0797//*

TITLE: Technical Corrections to the Environmental Remediation Tax Incremental Financing Program.

SUMMARY OF RECOMMENDATION:

Create a definition of "environmental remediation tax incremental district" that is similar to the definition of "tax incremental district"; clarify the definitions of "environmental remediation tax increment", "environmental remediation tax incremental base" and "taxable property"; and modify certain provisions of the program to apply to contiguous parcels of property or land.

DESCRIPTION OF CURRENT LAW AND PROBLEM

The present law requires the Department of Revenue to certify environmental remediation tax incremental financing districts (ERTID) base and subsequent year values. The law requires the taxing jurisdictions to submit to the department all the forms and statements needed that relate to the determination of the environmental tax incremental district. The department has developed instructions & checklists to assist these taxing jurisdictions in this process.

The problem is that 1999 Wisconsin Act 9 substantially changed some portions of the ERTID statute but did not change all the applicable sections. This has resulted in confusion for both the department and the taxing jurisdictions in the process and the determination of eligibility. For example Act 9 modified the single parcel eligible area to apply to contiguous parcels of property or land but did not change every reference throughout the section. This recommendation would make technical changes to the entire ERTID law and create/clarify definitions.

RECOMMENDATION FOR ACTION

Amend Section 66.462 (or the new renumbered 66.1106) to create/clarify definitions & to modify certain provisions to apply to contiguous parcels of property or land.

FISCAL/ADMINISTRATIVE IMPACT

Enacting these clarifications would ensure taxing jurisdictions that the inconsistencies of 1999 Wi Act 9 would be corrected. It would eliminate confusion and create a familiar consistent process similar to the process for regular tax incremental financing districts. It would allow the Department to clarify the instructions and checklist for creation and subsequent year certification of environmental remediation tax incremental financing districts.

DRAFTING INSTRUCTIONS

See attached

PERSONS TO CONTACT

Judie Gibbon, Tax Incremental Financing
Bureau of Equalization
(608) 266-5708

Eugene R. Miller, Director
Bureau of Equalization
(608) 266-8131

PREPARED BY

Judie Gibbon, Tax Incremental Financing
Bureau of Equalization
(608) 266-5708



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-1341/1

MES:Y:...

RMR

DOA:.....Wong - Technical changes, environmental remediation tax
incremental financing program

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

gs

SOON



1

AN ACT ...; relating to: ???

Analysis by the Legislative Reference Bureau

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

2

(END)

2001 BILL

P-Note

Do NOT GEN

regen

1 AN ACT to amend 66.1106 (1) (e), 66.1106 (1) (f), 66.1106 (1) (g), 66.1106 (1) (i),
 2 66.1106 (1) (k), 66.1106 (2) (a), 66.1106 (4) (intro.), 66.1106 (4) (b), 66.1106 (7)
 3 (a), 66.1106 (7) (d) 1., 66.1106 (9), 66.1106 (10) (a), 66.1106 (10) (b), 74.23 (1) (b),
 4 74.25 (1) (b) 1., 74.25 (1) (b) 2., 74.30 (1) (i), 74.30 (1) (j), 74.30 (2) (b), 79.095 (1)
 5 (c), 79.095 (2) (b) and 234.01 (4n) (a) 3m. a.; and to create 66.1106 (1) (fm),
 6 66.1106 (1m) and 66.1106 (10) (c) of the statutes; relating to: modifying the
 7 environmental remediation tax incremental financing program.

LOCAL GOVERNMENT head

Analysis by the Legislative Reference Bureau

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

A political subdivision that has incurred "eligible costs" to remediate environmental pollution on a parcel of property may apply to the department of

BILL

revenue (DOR) to certify the “environmental remediation tax incremental base” of the parcel. DOR is required to certify the environmental remediation tax incremental base if the political subdivision submits to DOR all of the following: 1) a statement that the political subdivision has incurred some eligible costs, together with a detailed proposed remedial action plan approved by the department of natural resources (DNR) that contains cost estimates for anticipated eligible costs, a schedule for the design and implementation that is needed to complete the remediation, and certification from DNR that the department has approved the site investigation report that relates to the parcel; 2) a statement that all taxing jurisdictions with authority to levy general property taxes on the parcel of property have been notified that the political subdivision intends to recover its environmental remediation costs by using an “environmental remediation tax increment”; and 3) a statement that the political subdivision has attempted to recover its environmental remediation costs from the person who is responsible for the environmental pollution that is being remediated.

This bill makes technical changes to the environmental remediation tax incremental financing program. These changes include creating a definition of “environmental remediation tax incremental district” that is somewhat similar to the definition of “tax incremental district” under the TIF program; making changes to the definitions of “environmental remediation tax increment,” “environmental remediation tax incremental base,” and “taxable property”; requiring that the final report under the program include an independent certified financial audit; and modifying certain provisions of the program to apply to contiguous parcels of property or land, as well as a parcel of property or land.

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

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

1 **SECTION 1.** 66.1106 (1) (e) of the statutes is amended to read:
2 66.1106 (1) (e) “Environmental remediation tax increment” means that
3 amount obtained by multiplying the total city, county, school and other local general
4 property taxes levied on a ~~parcel of real property that is certified under this section~~
5 taxable property in a year by a fraction having as a numerator the environmental
6 remediation value increment for that year ~~for that parcel in such district~~ and as a
7 denominator that year’s equalized value of that ~~parcel~~ taxable property. In any year,
8 an environmental remediation tax increment is “positive” if the environmental

BILL

1 remediation value increment is positive; it is “negative” if the environmental
2 remediation value increment is negative.

3 **SECTION 2.** 66.1106 (1) (f) of the statutes is amended to read:

4 66.1106 (1) (f) “Environmental remediation tax incremental base” means the
5 aggregate value, as equalized by the department, of a parcel of real taxable property
6 that is certified under this section as of the January 1 preceding the date on which
7 the ~~department of natural resources issues a certificate certifying that~~
8 ~~environmental pollution on the property has been remediated in accordance with~~
9 ~~rules promulgated by the department of natural resources~~ environmental
10 remediation tax incremental district is created, as determined under sub. (1m) (b).

11 **SECTION 3.** 66.1106 (1) (fm) of the statutes is created to read:

12 66.1106 (1) (fm) “Environmental remediation tax incremental district” means
13 a contiguous geographic area within a political subdivision defined and created by
14 resolution of the governing body of the political subdivision consisting solely of whole
15 units of property as are assessed for general property tax purposes, other than
16 railroad rights-of-way, rivers, or highways. Railroad rights-of-way, rivers, or
17 highways may be included in an environmental remediation tax incremental district
18 only if they are continuously bounded on either side, or on both sides, by whole units
19 of property as are assessed for general property tax purposes which are in the
20 environmental remediation tax incremental district. “Environmental remediation
21 tax incremental district” does not include any area identified as a wetland on a map
22 under s. 23.32.

23 **SECTION 4.** 66.1106 (1) (g) of the statutes is amended to read:

24 66.1106 (1) (g) “Environmental remediation value increment” means the
25 equalized value of a parcel of real taxable property that is certified under this section

BILL

1 minus the environmental remediation tax incremental base. In any year, the
2 environmental remediation value increment is “positive” if the environmental
3 remediation tax incremental base of the ~~parcel of~~ taxable property is less than the
4 aggregate value of the ~~parcel of~~ taxable property as equalized by the department; it
5 is “negative” if that base exceeds that aggregate value.

6 **SECTION 5.** 66.1106 (1) (i) of the statutes is amended to read:

7 66.1106 (1) (i) “Period of certification” means a period of not more than 16 years
8 beginning after the department certifies the environmental remediation tax
9 incremental base of a ~~parcel of property~~ under sub. (4) or a period before all eligible
10 costs have been paid, whichever occurs first.

11 **SECTION 6.** 66.1106 (1) (k) of the statutes is amended to read:

12 66.1106 (1) (k) “Taxable property” means all real and personal taxable property
13 located in an environmental remediation tax incremental district.

14 **SECTION 7.** 66.1106 (1m) of the statutes is created to read:

15 66.1106 (1m) CREATION OF ENVIRONMENTAL REMEDIATION TAX INCREMENTAL
16 DISTRICTS. In order to implement the provisions of this section, the governing body
17 of the political subdivision shall adopt a resolution which does all of the following:

18 (a) Describes the boundaries of an environmental remediation tax incremental
19 district with sufficient definiteness to identify with ordinary and reasonable
20 certainty the territory included within the district.

21 (b) Creates such district as of a date therein provided. If the resolution is
22 adopted during the period between January 2 and September 30, then such date
23 shall be the next preceding January 1. If such resolution is adopted during the period
24 between October 1 and December 31, then such date shall be the next subsequent

BILL

1 January 1. If the resolution is adopted on January 1, the environmental remediation
2 tax incremental district shall have been created as of the date of the resolution.

3 **SECTION 8.** 66.1106 (2) (a) of the statutes is amended to read:

4 66.1106 (2) (a) A political subdivision that develops, and whose governing body
5 approves, a written proposal to remediate environmental pollution may use an
6 environmental remediation tax increment to pay the eligible costs of remediating
7 environmental pollution on contiguous parcels of property that are located in an
8 environmental remediation tax incremental district within the political subdivision
9 and that are not part of a tax incremental district created under s. 66.1105, as
10 provided in this section, except that a political subdivision may use an
11 environmental remediation tax increment to pay the cost of remediating
12 environmental pollution of groundwater without regard to whether the property
13 above the groundwater is owned by the political subdivision. No political subdivision
14 may submit an application to the department under sub. (4) until the joint review
15 board approves the political subdivision's written proposal under sub. (3).

16 **SECTION 9.** 66.1106 (4) (intro.) of the statutes is amended to read:

17 66.1106 (4) CERTIFICATION. (intro.) Upon written application to the department
18 of revenue by the clerk of a political subdivision on or before ~~April 1 of the year~~
19 ~~following the year in which the certification described in par. (a) is received from the~~
20 ~~department of natural resources~~ December 31 of the year the environmental
21 remediation tax incremental district is created, as determined under sub. (1m) (b),
22 except that if the environmental remediation tax incremental district is created
23 during the period between October 1 and December 31, on or before December 31 of
24 the following year, the department of revenue shall certify to the clerk of the political

BILL

1 subdivision the environmental remediation tax incremental base of a parcel of real
2 property if all of the following apply:

3 **SECTION 10.** 66.1106 (4) (b) of the statutes is amended to read:

4 66.1106 (4) (b) The political subdivision submits a statement that all taxing
5 jurisdictions with the authority to levy general property taxes on the parcel or
6 contiguous parcels of property have been notified that the political subdivision
7 intends to recover the costs of remediating environmental pollution on the property
8 and have been provided a statement of the estimated costs to be recovered.

9 **SECTION 11.** 66.1106 (7) (a) of the statutes is amended to read:

10 66.1106 (7) (a) Subject to pars. (b), (c) and (d), the department shall annually
11 authorize the positive environmental remediation tax increment with respect to a
12 parcel or contiguous parcels of property during the period of certification to the
13 political subdivision that incurred the costs to remediate environmental pollution on
14 the property, except that an authorization granted under this paragraph does not
15 apply after the department receives the notice described under sub. (10) (b).

16 **SECTION 12.** 66.1106 (7) (d) 1. of the statutes is amended to read:

17 66.1106 (7) (d) 1. The department may not authorize a positive environmental
18 remediation tax increment under par. (a) to pay otherwise eligible costs that are
19 incurred by the political subdivision after the department of natural resources
20 certifies to the department of revenue that environmental pollution on the parcel or
21 contiguous parcels of property has been remediated unless the costs are associated
22 with activities, as determined by the department of natural resources, that are
23 necessary to close the site described in the site investigation report.

24 **SECTION 13.** 66.1106 (9) of the statutes is amended to read:

BILL

1 **66.1106 (9) SEPARATE ACCOUNTING REQUIRED.** An environmental remediation tax
2 increment received with respect to a parcel or contiguous parcels of land that is
3 subject to this section shall be deposited in a separate fund by the treasurer of the
4 political subdivision. No money may be paid out of the fund except to pay eligible
5 costs for a parcel or contiguous parcels of land, to reimburse the political subdivision
6 for such costs or to satisfy claims of holders of bonds or notes issued to pay eligible
7 costs. If an environmental remediation tax increment that has been collected with
8 respect to a parcel of land remains in the fund after the period of certification has
9 expired, it shall be paid to the treasurers of the taxing jurisdictions in which the
10 parcel is located in proportion to the relative share of those taxing jurisdictions in the
11 most recent levy of general property taxes on the parcel.

12 **SECTION 14.** 66.1106 (10) (a) of the statutes is amended to read:

13 **66.1106 (10) (a)** Prepare and make available to the public updated annual
14 reports describing the status of all projects to remediate environmental pollution
15 funded under this section, including revenues and expenditures. A copy of the report
16 shall be sent to all taxing jurisdictions with authority to levy general property taxes
17 on the parcel or contiguous parcels of property by May 1 annually.

18 **SECTION 15.** 66.1106 (10) (b) of the statutes is amended to read:

19 **66.1106 (10) (b)** Notify the department within 10 days after the period of
20 certification for a parcel or contiguous parcels of property has expired.

21 **SECTION 16.** 66.1106 (10) (c) of the statutes is created to read:

22 **66.1106 (10) (c)** Not later than 12 months after the last expenditure is made
23 or not later than 12 months after an expenditure may be made under sub. (2) (b),
24 whichever comes first, prepare and make available to the public a report that is
25 similar to the report required under par. (a), except that the report required under

BILL

1 this paragraph shall also include an independent certified audit of each project to
2 determine if all financial transactions were made in a legal manner and to determine
3 if each environmental remediation tax incremental district complied with this
4 section. A copy of the report shall be sent out to all taxing jurisdictions which
5 received the reports under par. (a).

6 **SECTION 17.** 74.23 (1) (b) of the statutes is amended to read:

7 74.23 (1) (b) *General property taxes.* After making the distribution under par.
8 (a), the taxation district treasurer shall pay to each taxing jurisdiction within the
9 district its proportionate share of general property taxes, except that the treasurer
10 shall pay the state's proportionate share to the county. As part of that distribution,
11 the taxation district treasurer shall retain for the taxation district and for each tax
12 incremental district within the taxation district and each environmental
13 remediation tax incremental district created by the taxation district its
14 proportionate share of general property taxes.

15 **SECTION 18.** 74.25 (1) (b) 1. of the statutes is amended to read:

16 74.25 (1) (b) 1. Pay in full to each taxing jurisdiction within the district all
17 personal property taxes included in the tax roll which have not previously been paid
18 to, or retained by, that taxing jurisdiction, except that the treasurer shall pay the
19 state's proportionate share to the county. As part of that distribution, the taxation
20 district treasurer shall allocate to each tax incremental district within the taxation
21 district and each environmental remediation tax incremental district created by the
22 taxation district its proportionate share of personal property taxes.

23 **SECTION 19.** 74.25 (1) (b) 2. of the statutes is amended to read:

24 74.25 (1) (b) 2. Pay to each taxing jurisdiction within the district its
25 proportionate share of real property taxes, except that the treasurer shall pay the

BILL

1 state's proportionate share to the county. As part of that distribution, the taxation
2 district treasurer shall retain for the taxation district and for each tax incremental
3 district within the taxation district and each environmental remediation tax
4 incremental district created by the taxation district its proportionate share of real
5 property taxes.

6 **SECTION 20.** 74.30 (1) (i) of the statutes is amended to read:

7 74.30 (1) (i) Pay in full to each taxing jurisdiction within the district all
8 personal property taxes included in the tax roll which have not previously been paid
9 to, or retained by, each taxing jurisdiction, except that the treasurer shall pay the
10 state's proportionate share to the county. As part of that distribution, the taxation
11 district treasurer shall allocate to each tax incremental district within the taxation
12 district and each environmental remediation tax incremental district created by the
13 taxation district its proportionate share of personal property taxes.

14 **SECTION 21.** 74.30 (1) (j) of the statutes is amended to read:

15 74.30 (1) (j) Pay to each taxing jurisdiction within the district its proportionate
16 share of real property taxes, except that the treasurer shall pay the state's
17 proportionate share to the county. As part of that distribution, the taxation district
18 treasurer shall retain for the taxation district and for each tax incremental district
19 within the taxation district and each environmental remediation tax incremental
20 district created by the taxation district its proportionate share of real property taxes.

21 **SECTION 22.** 74.30 (2) (b) of the statutes is amended to read:

22 74.30 (2) (b) Pay to each taxing jurisdiction within the district its proportionate
23 share of real property taxes collected, except that the taxation district treasurer shall
24 pay the state's proportionate share to the county, and the county treasurer shall
25 settle for that share under s. 74.29. As part of that distribution, the taxation district

BILL

1 treasurer shall retain for the taxation district and for each tax incremental district
2 within the taxation district and each environmental remediation tax incremental
3 district created by the taxation district its proportionate share of real property taxes.

4 **SECTION 23.** 79.095 (1) (c) of the statutes is amended to read:

5 79.095 (1) (c) "Taxing jurisdiction" means a municipality, county, school
6 district, special purpose district, tax incremental district, environmental
7 remediation tax incremental district, or technical college district.

8 **SECTION 24.** 79.095 (2) (b) of the statutes is amended to read:

9 79.095 (2) (b) On or before December 31, the tax rate used for each tax
10 incremental district for which the municipality assesses property and for each
11 environmental remediation tax incremental district for which the municipality
12 assesses property.

13 **SECTION 25.** 234.01 (4n) (a) 3m. a. of the statutes is amended to read:

14 234.01 (4n) (a) 3m. a. The facility is in a tax incremental district or an
15 environmental remediation tax incremental district or is the subject of an urban
16 development action grant and will result in a net economic benefit to the state.

17 **SECTION 26.** ⁹³⁵⁹ **Initial applicability.** ; other **B**

18 (1) ENVIRONMENTAL REMEDIATION TAX INCREMENTAL FINANCING. ~~Proposed~~ first
19 applies to an environmental remediation tax incremental district, the written
20 remediation proposal for which is approved by the political subdivision's governing
21 body on the effective date of this subsection.

(END)

Not 2

The treatment of n

and
sections 66. 1106 (D)(e), (f), (fm), (g), (i), (K), (lm),
(2) (a), (4) (intro.) and (b), (7) (a) and (d) 1, (9), and
(10) (a), (b), and (c), 74.23 (1)(b), 74.25 (1)(b) 1 and 2,
74.30 (1)(i) and (j), and (2) (b), 79.095 (1) (c) and (2) (b)
and 234.01 (4n) (a) 3m. a. of the statutes

STET

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

- 1341/1 dln
LRB#0797/1dn
MES:cjs: [initials]

December 1, 2000

November 29

I believe that this draft meets your intent as specified in your ~~October 28~~ November 29, 2000, memo. As a practical matter, do you intend for anything to happen if the certified audit under created s. 66.1106 (10) (c) determines that some transactions were not made in a legal matter or that the ERTID did not comply with s. 66.1106?

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

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1341/1dn
MES:cjs:jf

December 14, 2000

I believe that this draft meets your intent as specified in your November 29, 2000, memo. As a practical matter, do you intend for anything to happen if the certified audit under created s. 66.1106 (10) (c) determines that some transactions were not made in a legal matter or that the ERTID did not comply with s. 66.1106?

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

Shovers, Marc

From: Wong, Manyee
Sent: Thursday, December 21, 2000 10:55 AM
To: Shovers, Marc
Subject: FW: LRB Draft: 01-1341/1 Technical changes, environmental remediation tax incremental financing program

Hi Marc,

Comments from DOR regarding the ERTIF draft. Please make any necessary changes.

Thanks!
Manyee

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

From: Weinberger, Marc
Sent: Thursday, December 21, 2000 10:21 AM
To: Wong, Manyee
Subject: RE: LRB Draft: 01-1341/1 Technical changes, environmental remediation tax incremental financing program

Manyee,

We had a DOR version of this draft in progress. I will attach our comments below. I believe the drafter has already received them, but it doesn't hurt to forward them again. The answer to the question regarding the drafter's note is "no" consequences until we get some positions and some teeth for enforcement purposes. Some of those issues we addressed regarding regular TIFs by the Governor's Working Group on TIF (final report has not been issued yet).

Thanks,
Marc

Just had a couple of comments. This is in cooperation with Rebecca Boldt & Marc Weinberger.

1. Sections 17-22 amend the provisions in Chapter 74 related to settlement of property taxes. The language is adequate to deal with the distribution of taxes to ER TIDs created by a municipality. However, it does not appear adequate for the settlement procedures related to a county-created ER TID. For example, s. 74.23(1)(b) requires that the taxation district treasurer pay to each taxing jurisdiction its proportionate share of taxes. Since the definition of taxing jurisdictions does not include ER TIDs, distribution of property taxes to county-created ER TIDs is not specified. Section 17 amends s. 74.23(1)(b) to direct the taxation district to retain for the municipality the share of taxes going to ER TIDs it created, but this does not pertain to ER TIDs created by another jurisdiction, namely the county.

It may be advisable to add a sentence in each of these sections (17-22) to specify that the taxation district is to distribute to the county the proportionate share of taxes of ER TIDs created by the county.

2. In keeping with the recommendation of the Governor's Working Group on TIF related to reporting requirements, we recommend that DOR be provided with a final accounting of project expenditures for ER TIDs and upon dissolution of an ER TID, DOR is to be notified of final total ER project costs and ER TIF revenues, using a DOR prescribed format. To the extent that this is not of immediate concern, such a change to the draft should not jeopardize quick introduction of the draft.

I am also sending you a copy by inter-d of an inquiry that we recently received from an attorney for the Town of Madison requesting clarification of the ER TID base certification date. This highlights further the need for an expeditious enactment of the ER TID technical corrections which would clarify the final statutory intent of 66.1106.

I appreciate your help on this endeavor. If you have any further questions, feel free to contact me.

Judie Gibbon

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

From: Wong, Manyee

Sent: Monday, December 18, 2000 2:37 PM
To: Weinberger, Marc
Subject: FW: LRB Draft: 01-1341/1 Technical changes, environmental remediation tax incremental financing program

Hi Marc,

Could you take a look at these drafts and see if the technical changes are consistent with the department's intent? Also, please note drafter's comments. Does the department intend anything to happen if the audit did not comply with s.66.1106?

Manyee

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

From: Frantzen, Jean
Sent: Friday, December 15, 2000 10:31 AM
To: Wong, Manyee
Cc: Schmiedicke, David; Currier, Dawn; Hanaman, Cathlene; Haugen, Caroline
Subject: LRB Draft: 01-1341/1 Technical changes, environmental remediation tax incremental financing program

Following is the PDF version of draft 01-1341/1.

<< File: 01-1341/1 >> << File: 01-1341/1dn >>



DOA:.....Wong - Technical changes, environmental remediation tax incremental financing program

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

SOON

D-NOTE

do not gen

- 1 AN ACT ...; relating to: modifying the environmental remediation tax
2 incremental financing program.

Analysis by the Legislative Reference Bureau

LOCAL GOVERNMENT

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

A political subdivision that has incurred "eligible costs" to remediate environmental pollution on a parcel of property may apply to the department of revenue (DOR) to certify the "environmental remediation tax incremental base" of the parcel. DOR is required to certify the environmental remediation tax incremental base if the political subdivision submits to DOR all of the following: 1) a statement that the political subdivision has incurred some eligible costs, together with a detailed proposed remedial action plan approved by the department of natural

resources (DNR) that contains cost estimates for anticipated eligible costs, a schedule for the design and implementation that is needed to complete the remediation, and certification from DNR that the department has approved the site investigation report that relates to the parcel; 2) a statement that all taxing jurisdictions with authority to levy general property taxes on the parcel of property have been notified that the political subdivision intends to recover its environmental remediation costs by using an "environmental remediation tax increment"; and 3) a statement that the political subdivision has attempted to recover its environmental remediation costs from the person who is responsible for the environmental pollution that is being remediated.

This bill makes technical changes to the environmental remediation tax incremental financing program. These changes include creating a definition of "environmental remediation tax incremental district" that is somewhat similar to the definition of "tax incremental district" under the TIF program; making changes to the definitions of "environmental remediation tax increment," "environmental remediation tax incremental base," and "taxable property"; requiring that the final report under the program include an independent certified financial audit; and modifying certain provisions of the program to apply to contiguous parcels of property or land, as well as a parcel of property or land.

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

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

1 SECTION 1. 66.1106 (1) (e) of the statutes is amended to read:

2 66.1106 (1) (e) "Environmental remediation tax increment" means that
3 amount obtained by multiplying the total city, county, school and other local general
4 property taxes levied on a parcel of real property that is certified under this section
5 taxable property in a year by a fraction having as a numerator the environmental
6 remediation value increment for that year for that parcel in such district and as a
7 denominator that year's equalized value of that parcel taxable property. In any year,
8 an environmental remediation tax increment is "positive" if the environmental
9 remediation value increment is positive; it is "negative" if the environmental
10 remediation value increment is negative.

11 SECTION 2. 66.1106 (1) (f) of the statutes is amended to read:

✓ requiring that DOR be provided with a final accounting
of the ERTID's project expenditures and the final amount of
eligible costs that have been paid for an ERTID;

1 66.1106 (1) (f) “Environmental remediation tax incremental base” means the
2 aggregate value, as equalized by the department, of a ~~parcel of real taxable~~ property
3 that is certified under this section as of the January 1 preceding the date on which
4 the ~~department of natural resources issues a certificate certifying that~~
5 ~~environmental pollution on the property has been remediated in accordance with~~
6 ~~rules promulgated by the department of natural resources~~ environmental
7 remediation tax incremental district is created, as determined under sub. (1m) (b).

8 **SECTION 3.** 66.1106 (1) (fm) of the statutes is created to read:

9 66.1106 (1) (fm) “Environmental remediation tax incremental district” means
10 a contiguous geographic area within a political subdivision defined and created by
11 resolution of the governing body of the political subdivision consisting solely of whole
12 units of property as are assessed for general property tax purposes, other than
13 railroad rights-of-way, rivers, or highways. Railroad rights-of-way, rivers, or
14 highways may be included in an environmental remediation tax incremental district
15 only if they are continuously bounded on either side, or on both sides, by whole units
16 of property as are assessed for general property tax purposes which are in the
17 environmental remediation tax incremental district. “Environmental remediation
18 tax incremental district” does not include any area identified as a wetland on a map
19 under s. 23.32.

20 **SECTION 4.** 66.1106 (1) (g) of the statutes is amended to read:

21 66.1106 (1) (g) “Environmental remediation value increment” means the
22 equalized value of a parcel of real taxable property that is certified under this section
23 minus the environmental remediation tax incremental base. In any year, the
24 environmental remediation value increment is “positive” if the environmental
25 remediation tax incremental base of the ~~parcel of taxable~~ property is less than the

1 aggregate value of the ~~parcel of~~ taxable property as equalized by the department; it
2 is “negative” if that base exceeds that aggregate value.

3 **SECTION 5.** 66.1106 (1) (i) of the statutes is amended to read:

4 66.1106 (1) (i) “Period of certification” means a period of not more than 16 years
5 beginning after the department certifies the environmental remediation tax
6 incremental base of a ~~parcel of property~~ under sub. (4) or a period before all eligible
7 costs have been paid, whichever occurs first.

8 **SECTION 6.** 66.1106 (1) (k) of the statutes is amended to read:

9 66.1106 (1) (k) “Taxable property” means all real and personal taxable property
10 located in an environmental remediation tax incremental district.

11 **SECTION 7.** 66.1106 (1m) of the statutes is created to read:

12 66.1106 (1m) CREATION OF ENVIRONMENTAL REMEDIATION TAX INCREMENTAL
13 DISTRICTS. In order to implement the provisions of this section, the governing body
14 of the political subdivision shall adopt a resolution which does all of the following:

15 (a) Describes the boundaries of an environmental remediation tax incremental
16 district with sufficient definiteness to identify with ordinary and reasonable
17 certainty the territory included within the district.

18 (b) Creates such district as of a date therein provided. If the resolution is
19 adopted during the period between January 2 and September 30, then such date
20 shall be the next preceding January 1. If such resolution is adopted during the period
21 between October 1 and December 31, then such date shall be the next subsequent
22 January 1. If the resolution is adopted on January 1, the environmental remediation
23 tax incremental district shall have been created as of the date of the resolution.

24 **SECTION 8.** 66.1106 (2) (a) of the statutes is amended to read:

1 66.1106 (2) (a) A political subdivision that develops, and whose governing body
2 approves, a written proposal to remediate environmental pollution may use an
3 environmental remediation tax increment to pay the eligible costs of remediating
4 environmental pollution on contiguous parcels of property that are located in an
5 environmental remediation tax incremental district within the political subdivision
6 and that are not part of a tax incremental district created under s. 66.1105, as
7 provided in this section, except that a political subdivision may use an
8 environmental remediation tax increment to pay the cost of remediating
9 environmental pollution of groundwater without regard to whether the property
10 above the groundwater is owned by the political subdivision. No political subdivision
11 may submit an application to the department under sub. (4) until the joint review
12 board approves the political subdivision's written proposal under sub. (3).

13 **SECTION 9.** 66.1106 (4) (intro.) of the statutes is amended to read:

14 66.1106 (4) CERTIFICATION. (intro.) Upon written application to the department
15 of revenue by the clerk of a political subdivision on or before ~~April 1~~ of the year
16 ~~following the year in which the certification described in par. (a) is received from the~~
17 ~~department of natural resources~~ December 31 of the year the environmental
18 remediation tax incremental district is created, as determined under sub. (1m) (b),
19 except that if the environmental remediation tax incremental district is created
20 during the period between October 1 and December 31, on or before December 31 of
21 the following year, the department of revenue shall certify to the clerk of the political
22 subdivision the environmental remediation tax incremental base ~~of a parcel of real~~
23 ~~property~~ if all of the following apply:

24 **SECTION 10.** 66.1106 (4) (b) of the statutes is amended to read:

1 66.1106 (4) (b) The political subdivision submits a statement that all taxing
2 jurisdictions with the authority to levy general property taxes on the parcel or
3 contiguous parcels of property have been notified that the political subdivision
4 intends to recover the costs of remediating environmental pollution on the property
5 and have been provided a statement of the estimated costs to be recovered.

6 **SECTION 11.** 66.1106 (7) (a) of the statutes is amended to read:

7 66.1106 (7) (a) Subject to pars. (b), (c) and (d), the department shall annually
8 authorize the positive environmental remediation tax increment with respect to a
9 parcel or contiguous parcels of property during the period of certification to the
10 political subdivision that incurred the costs to remediate environmental pollution on
11 the property, except that an authorization granted under this paragraph does not
12 apply after the department receives the notice described under sub. (10) (b).

13 **SECTION 12.** 66.1106 (7) (d) 1. of the statutes is amended to read:

14 66.1106 (7) (d) 1. The department may not authorize a positive environmental
15 remediation tax increment under par. (a) to pay otherwise eligible costs that are
16 incurred by the political subdivision after the department of natural resources
17 certifies to the department of revenue that environmental pollution on the parcel or
18 contiguous parcels of property has been remediated unless the costs are associated
19 with activities, as determined by the department of natural resources, that are
20 necessary to close the site described in the site investigation report.

21 **SECTION 13.** 66.1106 (9) of the statutes is amended to read:

22 66.1106 (9) **SEPARATE ACCOUNTING REQUIRED.** An environmental remediation tax
23 increment received with respect to a parcel or contiguous parcels of land that is
24 subject to this section shall be deposited in a separate fund by the treasurer of the
25 political subdivision. No money may be paid out of the fund except to pay eligible

1 costs for a parcel or contiguous parcels of land, to reimburse the political subdivision
2 for such costs or to satisfy claims of holders of bonds or notes issued to pay eligible
3 costs. If an environmental remediation tax increment that has been collected with
4 respect to a parcel of land remains in the fund after the period of certification has
5 expired, it shall be paid to the treasurers of the taxing jurisdictions in which the
6 parcel is located in proportion to the relative share of those taxing jurisdictions in the
7 most recent levy of general property taxes on the parcel.

8 **SECTION 14.** 66.1106 (10) (a) of the statutes is amended to read:

9 66.1106 (10) (a) Prepare and make available to the public updated annual
10 reports describing the status of all projects to remediate environmental pollution
11 funded under this section, including revenues and expenditures. A copy of the report
12 shall be sent to all taxing jurisdictions with authority to levy general property taxes
13 on the parcel or contiguous parcels of property by May 1 annually.

14 **SECTION 15.** 66.1106 (10) (b) of the statutes is amended to read:

15 66.1106 (10) (b) Notify the department within 10 days after the period of
16 certification for a parcel or contiguous parcels of property has expired.

17 **SECTION 16.** 66.1106 (10) (c) of the statutes is created to read:

18 66.1106 (10) (c) Not later than 12 months after the last expenditure is made
19 or not later than 12 months after an expenditure may be made under sub. (2) (b),
20 whichever comes first, prepare and make available to the public a report that is
21 similar to the report required under par. (a), except that the report required under
22 this paragraph shall also include an independent certified audit of each project to
23 determine if all financial transactions were made in a legal manner and to determine
24 if each environmental remediation tax incremental district complied with this

1 section. A copy of the report shall be sent out to all taxing jurisdictions which
2 received the reports under par. (a).

3 **SECTION 17.** 74.23 (1) (b) of the statutes is amended to read:

4 74.23 (1) (b) *General property taxes.* After making the distribution under par.
5 (a), the taxation district treasurer shall pay to each taxing jurisdiction within the
6 district its proportionate share of general property taxes, except that the treasurer
7 shall pay the state's proportionate share to the county. As part of that distribution,
8 the taxation district treasurer shall retain for the taxation district and for each tax
9 incremental district within the taxation district and each environmental
10 remediation tax incremental district created by the taxation district its
11 proportionate share of general property taxes. (INS. A) ✓ (use twice)

12 **SECTION 18.** 74.25 (1) (b) 1. of the statutes is amended to read:

13 74.25 (1) (b) 1. Pay in full to each taxing jurisdiction within the district all
14 personal property taxes included in the tax roll which have not previously been paid
15 to, or retained by, that taxing jurisdiction, except that the treasurer shall pay the
16 state's proportionate share to the county. As part of that distribution, the taxation
17 district treasurer shall allocate to each tax incremental district within the taxation
18 district and each environmental remediation tax incremental district created by the
19 taxation district its proportionate share of personal property taxes.

20 **SECTION 19.** 74.25 (1) (b) 2. of the statutes is amended to read:

21 74.25 (1) (b) 2. Pay to each taxing jurisdiction within the district its
22 proportionate share of real property taxes, except that the treasurer shall pay the
23 state's proportionate share to the county. As part of that distribution, the taxation
24 district treasurer shall retain for the taxation district and for each tax incremental
25 district within the taxation district and each environmental remediation tax

INS
6-5

INS. A ✓

(use twice)

1 incremental district created by the taxation district its proportionate share of real
2 property taxes. INS. A

3 **SECTION 20.** 74.30 (1) (i) of the statutes is amended to read:

4 74.30 (1) (i) Pay in full to each taxing jurisdiction within the district all
5 personal property taxes included in the tax roll which have not previously been paid
6 to, or retained by, each taxing jurisdiction, except that the treasurer shall pay the
7 state's proportionate share to the county. As part of that distribution, the taxation
8 district treasurer shall allocate to each tax incremental district within the taxation
9 district and each environmental remediation tax incremental district created by the
10 taxation district its proportionate share of personal property taxes.

11 **SECTION 21.** 74.30 (1) (j) of the statutes is amended to read:

12 74.30 (1) (j) Pay to each taxing jurisdiction within the district its proportionate
13 share of real property taxes, except that the treasurer shall pay the state's
14 proportionate share to the county. As part of that distribution, the taxation district
15 treasurer shall retain for the taxation district and for each tax incremental district
16 within the taxation district and each environmental remediation tax incremental
17 district created by the taxation district its proportionate share of real property taxes.

18 **SECTION 22.** 74.30 (2) (b) of the statutes is amended to read:

19 74.30 (2) (b) Pay to each taxing jurisdiction within the district its proportionate
20 share of real property taxes collected, except that the taxation district treasurer shall
21 pay the state's proportionate share to the county, and the county treasurer shall
22 settle for that share under s. 74.29. As part of that distribution, the taxation district
23 treasurer shall retain for the taxation district and for each tax incremental district
24 within the taxation district and each environmental remediation tax incremental
25 district created by the taxation district its proportionate share of real property taxes.

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

-1341/2
LRB-0797/2:ms
MES.cjs/km

INSERT 8-5

SECTION 1. 66.1106 (10) (d) of the statutes is created to read:

66.1106 (10) (d) Not later than 180 days after the last expenditure is made or not later than 180 days after an expenditure may be made under sub. (2) (b), whichever comes first, provide the department with all of the following on a form that is prescribed by the department:

1. A final accounting of project expenditures that are made for an environmental remediation tax incremental district.
2. The final amount of eligible costs that have been paid for an environmental remediation tax incremental district.
3. The total amount of environmental remediation tax increments that have been paid to the political subdivision.

[Handwritten signature]

INS A

-1341/2

4 The taxation district treasurer shall also distribute to the county the proportionate share of general property taxes for each environmental remediation tax incremental district created by the county.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

-1341/12
0797/P2dn
MES.cjs.km

+jcd

Manye Wong:

Marc Weinberger's
December 21st

This version of the bill creates s. 66.1106 (10) (d) which attempts to implement the 2nd point from ~~Mary Jo Weber's December 14th~~ e-mail, but I'm not sure I've captured DOR's intent. No time frame was specified for submittal of the reports, and s. 66.1106 does not contain the concept of an ERTID being "dissolved"; is the 180 day time frame OK? There is no definition of "project expenditures" in s. 66.1106, so I'm not sure what it means in s. 66.1106 (10) (d) 1. In addition, I'm not sure how "project expenditures" is different from the information contained in subd. 2. Finally, I'm not sure what is meant by notification of "ER TIF revenues; does subd. 3. capture DOR's intent? Please let me know if you want any changes made to the bill.

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

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1341/2dn
MES:cjs&jld:jf

January 2, 2001

Manyee Wong:

This version of the bill creates s. 66.1106 (10) (d) which attempts to implement the 2nd point from Marc Weinberger's December 21st e-mail, but I'm not sure I've captured DOR's intent. No time frame was specified for submittal of the reports, and s. 66.1106 does not contain the concept of an ERTID being "dissolved"; is the 180 day time frame OK? There is no definition of "project expenditures" in s. 66.1106, so I'm not sure what it means in s. 66.1106 (10) (d) 1. In addition, I'm not sure how "project expenditures" is different from the information contained in subd. 2. Finally, I'm not sure what is meant by notification of "ER TIF revenues; does subd. 3. capture DOR's intent? Please let me know if you want any changes made to the bill.

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

Shovers, Marc

From: Wong, Manyee
Sent: Friday, January 05, 2001 10:42 AM
To: Shovers, Marc
Subject: FW: LRB 1341/2 - ER TIF Technical Changes

Hi Marc,

Here are DOR's responses to your questions. Please incorporate their comments into the draft. Thanks.

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

From: Weinberger, Marc
Sent: Friday, January 05, 2001 9:47 AM
To: Wong, Manyee
Cc: Gibbon, Judie A; Boldt, Rebecca A
Subject: LRB 1341/2 - ER TIF Technical Changes

Manyee,

Here are our comments on the ER TIF technical changes draft.

Thanks,

Marc Weinberger
Department of Revenue

Marc Shovers identified a few questions concerning the ER TID technical corrections in his drafter's note. Specifically:

1. "No time frame was specified for submittal of the reports, and s. 66.1106 does not contain the concept of an ERTID being "dissolved"; is the 180 day time frame OK?" --- This is a good point. I would like to suggest that we create a provision similar to regular TID termination & dissolve statutes - ss. 66.1105(7) (a), (am), & (b) with modifications for ER TID maximum life & political subdivisions. Then the report would be 180 days after the ER TID is terminated or dissolved. If we do include the termination statute, then we should also add the notice of district termination similar to s. 66.1105(8) with appropriate modifications.
2. "There is no definition of "project expenditures" in s. 66.1106, so I'm not sure what it means in s. 66.1106 (10) (d) 1. In addition, I'm not sure how "project expenditures" is different from the information contained in subd. 2. " -- I interpret "project expenditures" as all costs for the ER TID. These could include locally subsidized or grant costs, not just "eligible costs" paid by the ER-TID exclusively. The intent of the report is to gather data on the total ER TID project, and both items would be beneficial.
3. " Finally, I'm not sure what is meant by notification of "ER TIF revenues"; does subd. 3. capture DOR's intent? " -- The draft does capture the intent - ER TIF "increments" is the correct term instead of ER TIF "revenues."

Otherwise, the draft portrays the technical corrections that we feel are appropriate.