



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRBb0820/H1  
MES:kmg&cjs/jf

RMR

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

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.”.

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

10 “SECTION 2029sa. 66.1105 (2) (f) 2, d. of the statutes is created to read:

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

\*\*\*\*NOTE: This subdivision paragraph attempts to execute your instruction # 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.

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

5 66.1105 (2) (f) 3. Notwithstanding subd. 1., project costs may not include any  
6 expenditures made or estimated to be made or monetary obligations incurred or  
7 estimated to be incurred by the city for newly platted residential development for any  
8 tax incremental district for which a project plan is approved after September 30,  
9 1995, or for which an amendment of a project plan is approved after the effective date  
10 of this subdivision .... [revisor inserts date].

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

12 66.1105 (2) (i) "Tax increment" means that amount obtained by multiplying the  
13 total county, city, school and other local general property taxes levied on all taxable  
14 property within a tax incremental district in a year by a fraction having as a  
15 numerator the value increment for that year in the district and as a denominator that  
16 year's equalized value of all taxable property in the district. In any year, a tax  
17 increment is "positive" if the value increment is positive; it is "negative" if the value  
18 increment is negative. With regard to a tax incremental district that has been  
19 declared an industrial district under sub. (4) (gm) 6., the calculation under this  
20 paragraph may not include the value of any residential property and may not include  
21 the value of any improved property on which more than 35% of the improved square

1 footage is devoted to retail operations, including any storage areas or warehouses  
2 that contain merchandise that could be sold on-site at retail as part of an on-site  
3 retail operation.

~~\*\*\*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 instruction # 15. Is this OK?~~

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

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

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

17 66.1105 (3) (g) Create a standing joint review board that may remain in  
18 existence for the entire time that any tax incremental district exists in the city. All  
19 of the provisions that apply to a joint review board that is convened under sub. (4m)  
20 (a) apply to a standing joint review board that is created under this paragraph. A  
21 city may disband a joint review board that is created under this paragraph at any  
22 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? ✓

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

2           66.1105 (4) (gm) 1. Describes the boundaries, which may, but need not, be the  
3 same as those recommended by the planning commission, of a tax incremental  
4 district with sufficient definiteness to identify with ordinary and reasonable  
5 certainty the territory included in the district. The boundaries of the tax incremental  
6 district may not include any territory that was not within the boundaries of the city  
7 on January 1, 2000, unless 3 years have elapsed since the territory was annexed by  
8 the city or unless the city enters into a cooperative plan boundary agreement, under  
9 s. 66.0307, with the town from which the territory was annexed. If the city enters  
10 into a cooperative plan boundary agreement under s. 66.0307 with the town, the city  
11 may compensate the town for tax revenues lost by the town as a result of annexation.  
12 The boundaries shall include only those whole units of property as are assessed for  
13 general property tax purposes. Property standing vacant for an entire 7-year period  
14 immediately preceding adoption of the resolution creating a tax incremental district  
15 may not comprise more than 25% of the area in the tax incremental district, unless  
16 the tax incremental district is suitable for industrial sites under subd. 4. a. and the  
17 local legislative body implements an approved project plan to promote industrial  
18 development within the meaning of s. 66.1101. In this subdivision, "vacant property"  
19 includes property where the fair market value or replacement cost value of structural  
20 improvements on the parcel is less than the fair market value of the land. In this  
21 subdivision, "vacant property" does not include property acquired by the local  
22 legislative body under ch. 32 or property included within the abandoned Park East  
23 freeway corridor or the abandoned Park West freeway corridor in Milwaukee County.

\*\*\*\*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 # 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.

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

2           66.1105 (4) (gm) 4. c. Either the equalized value of taxable property of the  
3           district plus all existing districts does not exceed 7% of the total equalized value of  
4           taxable property within the city or the equalized value of taxable property of the  
5           district plus the value increment of all existing districts within the city does not  
6           exceed 5% of the total equalized value of taxable property within the city. The  
7           calculations required under this subd. 4. c. shall be based on the most recent values  
8           of taxable property of the district that are certified by the department of revenue as  
9           of the year in which a resolution is adopted under this paragraph.

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

11           66.1105 (4) (gm) 6. Declares that the district is a blighted area district, a  
12           rehabilitation or conservation district, or an industrial district, based on the  
13           identification and classification of the property included within the district under  
14           par. (c) and subd. 4. a. If the district is not exclusively blighted, rehabilitation or  
15           conservation, or industrial, the declaration under this subdivision shall be based on  
16           which classification is predominant with regard to the area described in subd. 4. a.

17           **SECTION 2029si.** 66.1105 (4) (h) 2. of the statutes is amended to read:

18           66.1105 (4) (h) 2. Except as provided in subds. 3. and 4., not more than once  
19           during the 10 years after the creation of a tax incremental district that was created  
20           before October 1, 1995 or 7 years after the date on which any other tax incremental  
21           district is created, the planning commission may adopt an amendment to a project  
22           plan under subd. 1. to modify the district's boundaries by subtracting territory from

1 the district or by adding territory to the district that is contiguous to the district and  
2 that is served by public works or improvements that were created as part of the  
3 district's project plan. Expenditures for project costs that are incurred because of an  
4 amendment to a project plan to which this subdivision applies may be made for not  
5 more than 3 years after the date on which the local legislative body adopts a  
6 resolution amending the project plan.

~~\*\*\*NOTE: I believe that this amendment of s. 66.1105 (4) (h) 2. 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) 2.~~

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

8 66.1105 (4m) (a) Any city that seeks to create a tax incremental district or  
9 amend a project plan shall convene a temporary joint review board under this  
10 paragraph, or a standing joint review board under sub. (3) (g), to review the proposal.  
11 The Except as provided in par. (am), the board shall consist of one representative  
12 chosen by the school district that has power to levy taxes on the property within the  
13 tax incremental district, one representative chosen by the technical college district  
14 that has power to levy taxes on the property within the tax incremental district, one  
15 representative chosen by the county that has power to levy taxes on the property  
16 within the tax incremental district, one representative chosen by the city and one  
17 public member. If more than one school district, more than one union high school  
18 district, more than one elementary school district, more than one technical college  
19 district or more than one county has the power to levy taxes on the property within  
20 the tax incremental district, the unit in which is located property of the tax  
21 incremental district that has the greatest value shall choose that representative to  
22 the board. The public member and the board's chairperson shall be selected by a

1 majority of the other board members before the public hearing under sub. (4) (a) or  
2 (h) 1. is held. All board members shall be appointed and the first board meeting held  
3 within 14 days after the notice is published under sub. (4) (a) or (h) 1. Additional  
4 meetings of the board shall be held upon the call of any member. The city that seeks  
5 to create the tax incremental district or to amend its project plan shall provide  
6 administrative support for the board. By majority vote, the board may disband  
7 following approval or rejection of the proposal, unless the board is a standing board  
8 that is created by the city under sub. (3) (g).

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

10 66.1105 (4m) (am) If a city seeks to create a tax incremental district that is  
11 located in a union high school district, the seat that is described under par. (a) for the  
12 school board representative to the board shall be held by 2 representatives, each of  
13 whom has one-half of a vote. One representative shall be chosen by the union high  
14 school district that has the power to levy taxes on the property within the tax  
15 incremental district and one representative shall be chosen by the elementary school  
16 district that has the power to levy taxes on the property within the tax incremental  
17 district.

18 **SECTION 2029sL.** 66.1105 (4m) (b) 2. of the statutes is amended to read:

19 66.1105 (4m) (b) 2. Except as provided in subd. 2m. and subject to subd. 4., no  
20 tax incremental district may be created and no project plan may be amended unless  
21 the board approves the resolution adopted under sub. (4) (gm) or (h) 1. by a majority  
22 vote not less than 10 days nor more than 30 14 days after receiving the resolution.  
23 The board may not approve the resolution under this subdivision unless the board's  
24 approval contains a positive assertion that, in its judgment, the development

1 described in the documents the board has reviewed under subd. 1. would not occur  
2 without the creation of a tax incremental district.

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

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

~~\*\*\*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 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.~~

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

12 66.1105 (4m) (b) 4. Not later than 5 working days after submitting its decision  
13 under subd. 3., any member of the board may request that the department of revenue  
14 review any of the documents listed in subd. 1. to determine whether the information  
15 submitted to the board complies with this section or whether any of the information  
16 contains a factual inaccuracy. The request must be in writing and must specify which  
17 particular fact or item the member believes is incomplete or inaccurate. Not later  
18 than 5 working days after receiving a request that complies with the requirements  
19 of this subdivision, the department of revenue shall investigate the issues raised in  
20 the request and shall send its written response to the board. If the department of  
21 revenue determines that the information in the proposal does not comply with this  
22 section or contains a factual inaccuracy, the department shall return the proposal to



1 the board. The board shall request that the city resolve the problems in its proposal  
2 and resubmit the proposal to the board. The board shall review the resubmitted  
3 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.

4 **SECTION 2029so.** 66.1105 (4m) (b) 5. of the statutes is created to read:

5 66.1105 (4m) (b) 5. The board shall notify prospectively the governing body of  
6 every local governmental unit that is not represented on the board, and that has  
7 power to levy taxes on the property within the tax incremental district, of meetings  
8 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.

9 **SECTION 2029sp.** 66.1105 (4m) (d) of the statutes is created to read:

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

18 **SECTION 2029sq.** 66.1105 (5) (a) of the statutes is amended to read:

19 66.1105 (5) (a) ~~Upon~~ Subject to sub. (8) (d), upon the creation of a tax  
20 incremental district or upon adoption of any amendment subject to par. (c), its tax  
21 incremental base shall be determined as soon as reasonably possible.

1           **SECTION 2029sr.** 66.1105 (5) (b) of the statutes is amended to read:

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

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

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

1 effective date of the amendment is January 1 of any year, the redetermination shall  
2 be made on that date. The tax incremental base as redetermined under this  
3 paragraph is effective for the purposes of this section only if it exceeds the original  
4 tax incremental base determined under par. (b).

5 **SECTION 2029su.** 66.1105 (5) (ce) of the statutes is amended to read:

6 66.1105 (5) (ce) If the city adopts an amendment, to which sub. (4) (h) 2., 3. or  
7 4. applies, the tax incremental base for the district shall be redetermined, by adding  
8 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. (bm), 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 2029sv.** 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

1 department's review of the facts supporting any document adopted or action taken  
2 to comply with sub. (4) (gm), the department may not certify the tax incremental base  
3 as provided in par. (b) until it reviews and approves of the findings that are described  
4 in sub. (4) (gm) 4. c.

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

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

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

24 2. Twenty-seven years after the tax incremental district is created if the  
25 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 2029sx.** 66.1105 (6) (a) 5. of the statutes is created to read:

8           66.1105 (6) (a) 5. Fifteen or 20 years, depending on the joint review board's  
9 recommendation under sub. (4m) (d) and the department of revenue's action  
10 described under sub. (7) (ae), 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.

\*\*\*\*NOTE: The amendment of s. 66.1105 (6) (a) and the creation of sub. (6) (a) 5. and  
6. is necessary because of your instruction to change the maximum life of an industrial  
TID to 15 or 20 years and because of the changes made in created sub. (6) (am) 1. c. See  
the second part of instruction # 12 in the "policy" proposals.

13           **SECTION 2029sy.** 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 2029sz.** 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,~~

1           **b.** For a tax incremental district that is created before October 1, 1995, no  
2 expenditure may be made later than 10 years after the tax incremental district is  
3 created, except that, for a tax incremental district that is created before October 1,  
4 1995, and which receives tax increments under par. (d), no expenditure may be made  
5 later than 12 years after the tax incremental district is created.

6           **SECTION 2029tag.** 66.1105 (6) (am) 1. c. of the statutes is created to read:

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

13           **SECTION 2029tb.** 66.1105 (6) (e) 1. d. of the statutes is created to read:

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

17           **SECTION 2029tc.** 66.1105 (6) (e) 2. of the statutes is repealed.

18           **SECTION 2029td.** 66.1105 (7) (ae) of the statutes is created to read:

19           66.1105 (7) (ae) Notwithstanding par. (am), 5 years after the last expenditure  
20 identified in the project plan is made if the district to which the plan relates is created

1 on or after the effective date of this paragraph .... [revisor inserts date], and if the  
 2 district is suitable for industrial sites under sub. (4) (gm) 4. a., except that if the joint  
 3 review board recommends under sub. (4m) (d) to the department of revenue that the  
 4 district be allowed to continue in existence for up to an additional 5 years after the  
 5 date on which the district would otherwise be required to terminate under this  
 6 paragraph, and if the department of revenue agrees to the recommendation, such a  
 7 district terminates up to 10 years after the last expenditure identified in the project  
 8 plan is made.

\*\*\*\*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. c., a TID created on or after the effective date of the bill may make  
 expenditures for 10 years after the TID is created. ✓

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

10 66.1105 (8) (title) NOTICE OF DISTRICT TERMINATION, REPORTING REQUIREMENTS.

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

12 66.1105 (8) (c) Not later than 60 days after a city transmits to the department  
 13 of revenue the notice required under par. (a) the city shall send to the department,  
 14 on a form prepared by the department, all of the following information that relates  
 15 to the terminated tax incremental district:

- 16 1. A final accounting of all expenditures made by the city.
- 17 2. The total amount of project costs incurred by the city.
- 18 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? ✓

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

20 66.1105 (8) (d) If a city does not send to the department of revenue the form  
 21 specified in par. (c) within the time limit specified in par. (c), the department may not

1 certify the tax incremental base of a tax incremental district under sub. (5) (a) and  
2 (b) until the form is sent to the department.

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

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

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

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

19 73.03 (57) To create, and update, a manual on the tax incremental finance  
20 program under s. 66.1105. The manual shall contain the rules relating to the  
21 program, common problems faced by cities and villages under the program, possible  
22 side effects on the use of tax incremental financing, and any other information the  
23 department determines is appropriate. The department may consult with, and  
24 solicit the views of, any interested person while preparing or updating the manual.”.



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

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

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

21           (2) The legislature further finds that accomplishment of the vital and beneficial  
22 public purposes of sections 66.405 to 66.425, 66.43, 66.431, 66.435 and 66.52 of the  
23 statutes, is being frustrated because of a lack of incentives and financial resources.  
24           The purpose of this act is to create a viable procedure by which a city ~~or~~, village, or

town that is located in a county that does not contain any cities or villages, through its own initiative and efforts, may finance projects which will tend to accomplish these laudable objectives.”

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

“(7w) TAX INCREMENTAL FINANCING TASK FORCE RECOMMENDATIONS. The treatment of sections 60.23 (32), 66.1105 (2) (f) ~~2, d. and 3.~~, (i), and (j), (3) (g), (4) (gm) 1., 4. c., and 6. and (h) 2., (4m) (a), (am), (b) 2., 2m., 4., and 5., and (d), (5) (a), (b), (c), (ce), and (d), (6) (am) 1. d. and 2., (7) (ae), (8) (title), (c), and (d), and (15), and 73.03 (57) of the statutes and chapter 105, laws of 1975, section 1 (1) and (2), the renumbering and amendment of section 66.1105 (6) (a) and (am) 1. of the statutes, and the creation of section 66.1105 (6) (a) 5. and 6. and (am) 1. c. of the statutes first apply to a tax incremental district that is created, or whose project plan is amended, on the effective date of this subsection.”

(END)

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**

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.”.

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

10 **“SECTION 2029sb.** 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 merchandisc 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, unless 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, 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.

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 2029sg.** 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 values  
20 of taxable property of the district that are certified by the department of revenue as  
21 of the year in which a resolution is adopted under this paragraph.

22 **SECTION 2029sh.** 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

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 2029si.** 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 the district or by adding territory to the district that is contiguous to the district and  
11 that is served by public works or improvements that were created as part of the  
12 district's project plan. Expenditures for project costs that are incurred because of an  
13 amendment to a project plan to which this subdivision applies may be made for not  
14 more than 3 years after the date on which the local legislative body adopts a  
15 resolution amending the project plan.

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

17 66.1105 (4m) (a) Any city that seeks to create a tax incremental district or  
18 amend a project plan shall convene a temporary joint review board under this  
19 paragraph, or a standing joint review board under sub. (3) (g), to review the proposal.  
20 The Except as provided in par. (am), the board shall consist of one representative  
21 chosen by the school district that has power to levy taxes on the property within the  
22 tax incremental district, one representative chosen by the technical college district  
23 that has power to levy taxes on the property within the tax incremental district, one  
24 representative chosen by the county that has power to levy taxes on the property  
25 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 2029sm.** 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 2029sn.** 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  
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 fact or item the member believes is incomplete or inaccurate. Not later  
24 than 5 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. 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 2029so.** 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 2029sp.** 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 2029sq.** 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.

25 **SECTION 2029sr.** 66.1105 (5) (b) of the statutes is amended to read:

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 2029st. 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 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. applies to the amended project  
18 plan, by adding to the tax incremental base the value of the taxable property and the  
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

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 2029su.** 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 4. applies, the tax incremental base for the district shall be redetermined, by adding  
7 to the tax incremental base the value of the taxable property and the value of real  
8 property owned by the city, other than property described in par. (bm), that is added  
9 to the existing district under sub. (4) (h) 2., 3. or 4., as of the January 1 next preceding  
10 the effective date of the amendment if the amendment becomes effective between  
11 January 2 and September 30, as of the next subsequent January 1 if the amendment  
12 becomes effective between October 1 and December 31 and if the effective date of the  
13 amendment is January 1 of any year, the redetermination shall be made on that date.  
14 The tax incremental base as redetermined under this paragraph is effective for the  
15 purposes of this section only if it exceeds the original tax incremental base  
16 determined under par. (b).

17 **SECTION 2029sv.** 66.1105 (5) (d) of the statutes is amended to read:

18 66.1105 (5) (d) The department of revenue may not certify the tax incremental  
19 base as provided in par. (b) until it determines that each of the procedures and  
20 documents required by sub. (4) (a), (b), (gm) or (h) and par. (b) has been timely  
21 completed and all notices required under sub. (4) (a), (b), (gm) or (h) timely given.  
22 The facts supporting any document adopted or action taken to comply with sub. (4)  
23 (a), (b), (gm) or (h) are not subject to review by the department of revenue under this  
24 paragraph, except that notwithstanding the general prohibition against the  
25 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 2029sw. 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 2029sx.** 66.1105 (6) (a) 5. of the statutes is created to read:

8           66.1105 (6) (a) 5. Fifteen or 20 years, depending on the joint review board's  
9 recommendation under sub. (4m) (d) and the department of revenue's action  
10 described under sub. (7) (ae), 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 2029sy.** 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 2029sz.** 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 2029tag.** 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 2029tb.** 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 2029tc.** 66.1105 (6) (e) 2. of the statutes is repealed.

16 **SECTION 2029td.** 66.1105 (7) (ae) of the statutes is created to read:

17 66.1105 (7) (ae) Notwithstanding par. (am), 5 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

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 prepared 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.”.

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

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

9 73.03 (57) To create, and update, a manual on the tax incremental finance  
10 program under s. 66.1105. The manual shall contain the rules relating to the  
11 program, common problems faced by cities and villages under the program, possible  
12 side effects on the use of tax incremental financing, and any other information the  
13 department determines is appropriate. The department may consult with, and  
14 solicit the views of, any interested person while preparing or updating the manual.”.

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

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

18 [Laws of 1975, chapter 105] Section 1 (1) The legislature finds that the existing  
19 system of allocating aggregate property tax revenues among tax levying  
20 municipalities has resulted in significant inequities and disincentives. The cost of  
21 public works or improvements within a city ~~or~~ village, or town that is located in a  
22 county that does not contain any cities or villages has been borne entirely by the city  
23 ~~or~~ village, or town that is located in a county that does not contain any cities or  
24 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), (c), 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

1 (6) (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.”.

4 (END)