

Assembly Hearing Slip

(Please print plainly)

AB17 14

Date: 2-28-01

Bill No. AB17

Or Subject _____

Name JOAN RUSSELL

Street Address or Route Number CITY OF TOMAW

City and Zip Code CITY ADMINIST

Representing CITY OF TOMAW

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by: Assembly Sergeant at Arms 411 West, State Capitol Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 2-28-01

Bill No. AB17

Or Subject _____

Name TERRY MUESER

Street Address or Route Number _____

City and Zip Code 922

Representing _____

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Assembly Hearing Slip

(Please print plainly)

Date: 2/28/01

Bill No. AB17

Or Subject _____

Name Judge Gibbon

Street Address or Route Number Available for questions,

City and Zip Code Not testifying

Representing DOR

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input checked="" type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input checked="" type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Provided by: Assembly Sergeant at Arms 411 West, State Capitol Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 2.28.01

Bill No. AB 17

Or
Subject: _____

Name Alan Ed Thompson

City Tomah

Street Address or Route Number 111

City and Zip Code 111 54660

Representing _____

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input checked="" type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West State Capitol
Madison, WI 53708

Ways & Means Committee
Preliminary Report on Referred Legislation
March 5, 2001

Bill: **AB 17**
Author: **Musser**
Date Referred: **01-16-2001**
Public Hearing: **02-28-2001**
Executive Session: **03-07-2001**

Relating Clause: **the filing of certain forms related to a tax incremental financing district.**

Comments from Department of Revenue-

No position, though generally oppose making exceptions to state law for individual TIDs.

Comments from the Author-

Author's reasoning for introducing legislation:
At request of city Tomah that failed to file necessary forms to establish a TID.

Author's intent:
To allow the city to file necessary forms for establishing their TID and setting the base value for the TID as of December 31, 1999.

Does the Author want the legislation moved forward?

Yes No

If no, do we have this in writing?

Yes No

Is the legislation in its final form?

Yes No

If major changes are required, the author shall prepare and introduce the necessary amendments.

Comments from potentially affected parties-

City of Tomah needs to be bailed out of their mistake.

Assembly Committee on Ways and Means

DATE _____
 Moved by Jesk Seconded by Starzyk
 AB 17 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____
 A _____ SR _____ Other _____
 A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

- Be recommended for:
- Passage
 - Introduction
 - Adoption
 - Rejection
 - Indefinite Postponement
 - Tabling
 - Concurrence
 - Nonconcurrence

SB 7
✓

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Mickey Lehman, chair	1			
2.	Rep. John Ainsworth, vice-chair	2			
3.	Rep. Suzanne Jeskewitz	3			
4.	Rep. Frank Lasee				
5.	Rep. Samantha Starzyk	4			
6.	Rep. Tom Sykora	5			
7.	Rep. Carol Owens				
8.	Rep. Luther Olsen	6			
9.	Rep. Wayne Wood	7			
10.	Rep. Bob Ziegelbauer	8			
11.	Rep. Johnnie Morris-Tatum	9			
12.	Rep. Mark Pocan	10			
13.	Rep. Bob Turner	11			
	Totals	11	0		

MOTION CARRIED

MOTION FAILED

Assembly Republican Majority

Bill Summary

AB 17: Certain forms related to Tax Incremental Financing

Relating to: An Act to create 66.1105 (5) (bg) of the statutes; relating to: the filing of certain forms related to a tax incremental financing district. (FE) 2001 01-16.

By: Representative Musser; cosponsored by Senator Moen.

Date: March 22, 2001

BACKGROUND

Under current law, a city or village may establish a Tax Incremental Financing (TIF) District should certain requirements be met. These requirements include limitations on the type of land that can be included in a TIF district as well as how the developed land will be utilized upon completion of the TIF. Further, there are many administrative requirements that must be met in order to establish a TIF district. The administrative requirements include holding public hearings, involvement of the local planning commission, approval of the city council or village board and the establishment of a Joint Review Board to review the TIF project. Upon completion of the administrative process, the city or village must submit to the Department of Revenue (DOR) certain forms and an application for establishment of the TIF district. The deadline for submission of these forms is December 31st of the year in which the TIF district is to be created. Upon receipt of the application, DOR can then certify the base tax value of the land to be in the TIF district.

SUMMARY OF AB 17

Assembly Bill 17 modifies current law to allow for an exception to the application deadline for the city of Tomah. Tomah failed to file the necessary forms and application by December 31st, 1999 for a TIF district intended for that year. This bill sets the due date for the city's application at May 31st, 2000, allowing DOR to certify a tax incremental base and establishment of the TIF district. The city will lose one year of tax increment, but will be able to collect increment going forward to cover the costs of the work already completed in the district.

FISCAL EFFECT

A fiscal estimate prepared by the Department of Revenue indicates costs at the state level could be absorbed into the agency's current budget. At the local level, the fiscal effect would be to allow the collection of tax increment.

PROS

1. Would allow establishment of the TIF district preventing the city from having to immediately place all costs incurred from work in the proposed TIF district on the property tax levy, which would result in a significant tax burden for the city's residents.
2. The bill would only affect this TIF district in the city of Tomah. This bill would not affect any other past TIF districts or any future TIF districts.

CONS

1. Yet another exception made to TIF law. The sections of the statutes relating to TIF are marked by numerous exceptions to many TIF districts. Making these individual exceptions is not good policy.

SUPPORTERS

Rep. Terry Musser, author; Senator Moen, lead co-sponsor; John Rusch, City of Tomah; Allan Thompson, City of Tomah.

OPPOSITION

No one registered or testified in opposition to AB 17.

HISTORY

Assembly Bill 17 was introduced on January 16, 2001, and referred to the Assembly Committee on Ways & Means. A public hearing was held on February 28, 2001. On March 7, 2001, the Committee voted 11-0-2 [Representatives F. Lasee and Owens absent] to recommend passage of AB 17.

CONTACT: Andrew Nowlan, Office of Rep. Michael Lehman



BILL SUMMARY

AB 17: Certain forms related to Tax Incremental Financing

Date: March 22,2001

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AMENDMENTS

There are no amendments.

FISCAL EFFECT

A fiscal estimate prepared by the Department of Revenue indicates costs at the state level could be absorbed into the agency's current budget. At the local level, the fiscal effect would be to allow the collection of tax increment.

PROS

1. Would allow establishment of the TIF district preventing the city from having to immediately place all costs incurred from work in the proposed TIF district on the property tax levy, which would result in a significant tax burden for the city's residents.
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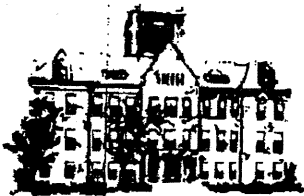
OPPOSITION

None

HISTORY

Assembly Bill 17 was introduced on 1-16-2001, and referred to the Assembly Committee on Ways & Means. A public hearing was held on 2-28-2001. On 3-7-2001, the Committee voted 11-0 [Representatives F. Lasee and Owens absent] to recommend passage of AB 17.

CONTACT: Andrew Nowlan, Office of Rep. Michael Lehman



MONROE COUNTY CLERK

Phone: 608-269-8705
608-372-8705
Fax: 608-269-8747
e-mail: ~~mcclerk@centurytel.net~~
mcclerk@co.monroe.wi.us

Administrative Center
202 S K ST-RM 1
SPARTA WI 54656-2187

CHRISTINE M WILLIAMS

March 5, 2001

To whom it may concern:

Please be advised that the County of Monroe, State of Wisconsin, supports the City of Tomah's Tax Incremental District (TID) #6. The County, as a member of the Joint Review Board, is on record to this effect.

If you have any further questions, please do not hesitate to contact me.

Sincerely,

Christine M. Williams
Monroe County Clerk

/cmw

cc: Mr. LaVern Betthouser, Chair
Monroe County Board of Supervisors

TOMAH AREA SCHOOL DISTRICT
129 West Clifton Street
Tomah, WI 54660-2507
District Administrator's Office (608)374-7210

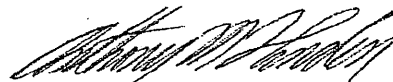
March 6, 2001

Representative Terry Musser
P.O. Box 8953
Madison, WI 53708-8953

Dear Representative Musser:

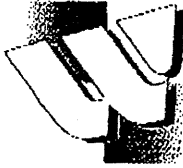
The Tomah Area School District voted in favor of the original Tax Incremental District #6 of the City of Tomah. Therefore, the Tomah Area School District supports the passage of Assembly Bill 17, which, in effect, extends the filing dates for the original Tax Incremental District #6 of the City of Tomah.

Sincerely,



Anthony M. Hinden
District Administrator

AMH:sab



WESTERN WISCONSIN TECHNICAL COLLEGE

La Crosse Campus

304 Sixth Street N • PO Box C 0908 • La Crosse, WI 54602-0908 • (608) 785-9200 (V/TTY) • Fax (608) 785-9205

March 6, 2001

Mr. John Rusch, Administrator
City of Tomah
819 Superior Avenue
Tomah, WI 54660

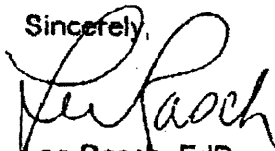
Dear Mr. Rusch:

A System study of tax incremental districts concludes that the net result of their economic impact is an overall benefit to the economy.

It has been the position of Western Wisconsin Technical College to support tax incremental districts, and the College will maintain that position unless provided information by its representative on the joint review board that would cause reason for concern in the formation of a district.

Please call if you have questions or a need for additional information.

Sincerely,



Lee Rasch, EdD
President

CITY OF TOMAH

Tax Incremental Finance District No. 6: Chronological Summary of Events

<u>DATE</u>	<u>EVENT</u>
Fall 1998	Tomah commenced negotiations with Wal-Mart Industries regarding the placement of a Distribution Center in Tomah.
December 1998	Tomah and Wal-Mart reached an Inducement Agreement which required Tomah to purchase private property necessary for the Distribution Center, annex the property from the adjacent Township to Tomah and form a Tax Incremental District all within a period of approximately ninety (90) days.
February 1999	<p>Tomah had not created a TIF District for approximately ten (10) years and City officials were generally unfamiliar with the procedures and requirements for properly creating a TIF District.</p> <p>Tomah engaged the services of Short Elliott Hendrickson, Inc. (SEH) to render professional planning services in connection with the creation of TID Number 6.</p>
March 1999	<p>The City sold the property to Wal-Mart under agreement to construct a \$30 Million Distribution Center</p> <p>SEH assisted Tomah in properly creating all aspects of the TID Number 6 except for the application to the Department of Revenue for base value certification.</p> <p>SEH failed to submit the required documentation to the Department of Revenue for base value certification prior to December 31, 1999 with respect to TID Number 6.</p>
February 1999 to December 1999	<p>Tomah did not receive any Department of Revenue forms or documentation from SEH or any other party with regard to the necessary application to the Department of Revenue for base value certification on TID Number 6.</p> <p>Tomah was not aware that an application to the Department of Revenue for base value certification should have been submitted to the Department of Revenue prior to December 31, 1999 with respect to TID Number 6.</p>
May 11, 2000	Tomah first learned that the necessary Department of Revenue forms were required and had not been submitted by SEH for base value certification prior to December 31, 1999.
May 19, 2000	Tomah promptly completed and delivered the required documentation to the Department of Revenue for base value certification of TID Number 6, but the Department of Revenue refused certification.

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01-1642/1

INTRODUCTION # AB 17

Admin. Rule #

Subject

Extension of Filing Deadline for Tax Incremental Finance Forms

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May be Possible to Absorb
 Within Agency's Budget Yes No

Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:

- Towns Villages Cities
 Counties Others City of Tomah
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations:

Assumptions Used in Arriving at Fiscal Estimate:

Under current law, a municipality that creates a Tax Incremental District (TID) must file certain forms and applications with the Department of Revenue (DOR) on or before December 31 of the year in which the TID is created. DOR uses the forms and application to certify the tax incremental base value of the TID. Subsequent improvements and development in the TID lead to increases in its value over the base value. Taxes levied on the value increments, i.e. the current equalized value minus the base value, are used to pay the TID's project costs.

The bill extends the December 31 deadline for filing forms with DOR for a municipality that created a TID in February 1999. Under the bill, if the municipality filed the required forms by May 31, 2000, DOR would be required to certify the TID's base value as if the forms had been filed by December 31, 1999. As a result, DOR would certify a 1999 base value for the TID. Under the bill, DOR would not certify a value increment before 2001.

The bill would affect TID #6 created by the City of Tomah in 1999 but was not certified with a 1999 base value due to late filing. Under current law, any improvements and development that occurred prior to DOR's base year certification would be included in the base value and would thus not generate tax increments. With a 1999 base year allowed under the bill, all improvements and development that occurred in the TID project in 1999 after its creation would be part of the value increment and would thereby generate tax increments.

The bill would require DOR to certify the base value for the affected TID, the costs of which can be absorbed.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Rebecca A Boldt, (608) 266-6785	Yeang-Eng Braun <i>Yeang-Eng Braun</i> (608) 266-2700	1/23/01

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01-1642/1
INTRODUCTION # AB 17

Admin. Rule #

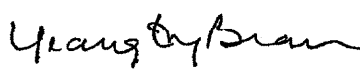
Subject
 Extension of Filing Deadline for Tax Incremental Finance Forms

I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ _____	\$ See text of fiscal note.

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Rebecca A Boldt, (608) 266-6785	Authorized Signature/Telephone No. Yeang-Eng Braun (608) 266-2700 	Date 1/23/01
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