

**2003 DRAFTING REQUEST**

**Bill**

Received: **11/03/2003**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Alan Lasee (608) 266-3512**

By/Representing: **Shari**

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

Drafter: **mshovers**

May Contact:

Addl. Drafters:

Subject: **Munis - tax incrmntal financing**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Lasee@legis.state.wi.us**

Carbon copy (CC:) to:

**Pre Topic:**

No specific pre topic given

**Topic:**

Modify provision of the tax incremental financing (TIF) law for the City of Sturgeon Bay

**Instructions:**

See Attached. Senate companion to -2981/3

**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>
/?	mshovers 11/03/2003	kgilfoy 11/04/2003		_____			State
/1			rschluet 11/04/2003	_____	sbasford 11/04/2003	lemery 11/04/2003	

FE Sent For:

**<END>**

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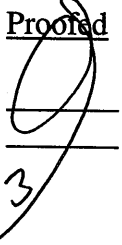
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17	mshovers	1-14 King					
11 MES	11/3/03			1143			

FE Sent For:

<END>

**Shovers, Marc**

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**From:** Lord, Shari  
**Sent:** Thursday, October 30, 2003 9:39 AM  
**To:** Shovers, Marc  
**Subject:** TIF expansion/Garey Bies

Alan is working with Representative Bies on the Sturgeon Bay TIF expansion bill. He would like an identical bill for introduction into the Senate. Thanks Marc.

-3622/1

RmNR

2003 BILL

WANTED;  
SOON

1 AN ACT *to amend* 66.1105 (4) (h) 1. and 66.1105 (4) (h) 2.; and *to create* 66.1105  
2 (4) (h) 6., 66.1105 (6) (a) 6., 66.1105 (6) (am) 2. d. and 66.1105 (7) (at) of the  
3 statutes; **relating to:** extending the expenditure period and the life of Tax  
4 Incremental District Number Two in the city of Sturgeon Bay.

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***Analysis by the Legislative Reference Bureau***

Under the current tax incremental financing (TIF) program, a city or village may create a tax incremental district (TID) in part of its territory to foster development if at least 50 percent of the area to be included in the TID is blighted, in need of rehabilitation, or suitable for industrial sites. Before a city or village may create a TID, several steps and plans are required. These steps and plans include public hearings on the proposed TID within specified time frames, preparation and adoption by the local planning commission of a proposed project plan for the TID, approval of the proposed project plan by the common council or village board, and adoption of a resolution by the common council or village board that creates the district as of a date provided in the resolution.

Also under current law, once a TID has been created, the Department of Revenue (DOR) calculates the "tax increment base value" of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a "value increment" is created. That portion of taxes collected on the value increment in excess of the base value is called a "tax increment." The tax increment is placed in a special fund that may be used only to pay back the project

**BILL**

costs of the TID. The costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. DOR authorizes the allocation of the tax increments until the TID terminates or, generally, 23 years, or 27 years in certain cases, after the TID is created, whichever is sooner. TIDs are required to terminate, under current law and with one exception, once these costs are paid back, 16 years, or 20 years in certain cases, after the last expenditure identified in the project plan is made or when the creating city or village dissolves the TID, whichever occurs first. Under the exception, which is limited to certain circumstances, after a TID pays off its project costs, but not later than the date on which it must otherwise terminate, the planning commission may allocate positive tax increments generated by the TID (the “donor” TID) to another TID that has been created by the planning commission. Generally, under current law, a planning commission may amend a TID’s project plan by adding territory to the district not more than once during the seven years after the TID is created.

Currently, with regard to TID Number Two in the city of Sturgeon Bay, expenditures may be made no later than 10 years after the TID was created, or through December 31, 2004. The TID’s project plan has already be amended once, and currently the TID must terminate no later than 2021.

Under this bill, the general expenditure period for TID Number Two in Sturgeon Bay is extended to 15 years after the TID was created, or through December 31, 2009, although the bill also authorizes the planning commission to amend the TID’s project plan one additional time. If the project plan is amended a second time, the expenditure period for TID Number Two in the city of Sturgeon Bay is extended for up to five years after the date on which the local legislative body adopts a resolution, which may be a date after December 31, 2009. The bill also authorizes DOR to allocate tax increments to this TID for 29 years after the TID was created and the TID must terminate 14 years after the last expenditure in the project plan is made, if the project plan is amended a second time.

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

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

1           **SECTION 1.** 66.1105 (4) (h) 1. of the statutes, as affected by 2003 Wisconsin Act  
2           34, is amended to read:  
3           66.1105 (4) (h) 1. Subject to subds. 2., 3., 4., and 5., and 6., the planning  
4           commission may, by resolution, adopt an amendment to a project plan. The  
5           amendment is subject to approval by the local legislative body and approval requires



**BILL**

1 the same findings as provided in par. (g). Any amendment to a project plan is also  
2 subject to review by a joint review board, acting under sub. (4m). Adoption of an  
3 amendment to a project plan shall be preceded by a public hearing held by the plan  
4 commission at which interested parties shall be afforded a reasonable opportunity  
5 to express their views on the amendment. Notice of the hearing shall be published  
6 as a class 2 notice, under ch. 985. The notice shall include a statement of the purpose  
7 and cost of the amendment and shall advise that a copy of the amendment will be  
8 provided on request. Before publication, a copy of the notice shall be sent by 1st class  
9 mail to the chief executive officer or administrator of all local governmental entities  
10 having the power to levy taxes on property within the district and to the school board  
11 of any school district which includes property located within the proposed district.  
12 For a county with no chief executive officer or administrator, this notice shall be sent  
13 to the county board chairperson.

14 **SECTION 2.** 66.1105 (4) (h) 2. of the statutes, as affected by 2003 Wisconsin Act  
15 34, is amended to read:

16 66.1105 (4) (h) 2. Except as provided in subds. 3., 4., ~~and 5., and 6.,~~ not more  
17 than once during the 7 years after the tax incremental district is created, the  
18 planning commission may adopt an amendment to a project plan under subd. 1. to  
19 modify the district's boundaries by adding territory to the district that is contiguous  
20 to the district and that is served by public works or improvements that were created  
21 as part of the district's project plan. Expenditures for project costs that are incurred  
22 because of an amendment to a project plan to which this subdivision applies may be  
23 made for not more than 3 years after the date on which the local legislative body  
24 adopts a resolution amending the project plan.

25 **SECTION 3.** 66.1105 (4) (h) 6. of the statutes is created to read:



# RESEARCH APPENDIX - Draft Transfer/Copy Request Form

- Atty's please complete this form and give to Mike Barman (or Lynn E. in his absence)

(Request Made By: MES) (Date: 11, 13, 03)



Please transfer the drafting file for  
2001 LRB to the drafting file  
for 2003 LRB

*Handwritten: S. Barman*

The final version of the 2001 draft and the final Request Sheet will be copied on yellow paper, and returned to the original 2001 drafting file. A new cover sheet will be created/included listing the new location of the drafting file's "guts".

For research purposes, because the 2001 draft was incorporated into a 2003 draft, the complete drafting file will be transferred, as a separate appendix, to the new 2003 drafting file. This request form will be inserted into the "guts" of the 2003 draft. If introduced, the appendix will be scanned/added to the electronic drafting file folder.

— OR —

Please copy the drafting file for

2003 LRB -2981 13 (include the version) and place it in the

drafting file for 2003 LRB -3622/1

For research purposes, because the original 2003 draft was incorporated into another 2003 draft, the original drafting file will be copied on yellow paper (darkened/auto centered/reduced to 90%) and added, as a separate appendix, to the new 2003 drafting file. This request form will be inserted into the "guts" of the new 2003 draft. If introduced the appendix will be scanned/added to the electronic drafting file folder.

The original drafting file will then be returned, intact, to its folder and filed. For future reference, a copy of the transfer/copy request form will also be added to the "guts" of the original draft.

**Emery, Lynn**

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**From:** Lord, Shari  
**Sent:** Tuesday, November 04, 2003 11:24 AM  
**To:** LRB.Legal  
**Subject:** Draft review: LRB 03-3622/1 Topic: Modify provision of the tax incremental financing (TIF) law for the City of Sturgeon Bay

It has been requested by <Lord, Shari> that the following draft be jacketed for the SENATE:

Draft review: LRB 03-3622/1 Topic: Modify provision of the tax incremental financing (TIF) law for the City of Sturgeon Bay