

2003 DRAFTING REQUEST

Bill

Received: 01/29/2004

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Roger Breske (608) 266-2509

By/Representing: Beth

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters:

Subject: Munis - tax incrmntal financing  
Counties - miscellaneous

Extra Copies:

Submit via email: YES

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Allow counties with no cities or villages in them to create tax incremental financing (TIF) districts

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mshovers 01/29/2004	csicilia 02/03/2004		_____			S&L
/1			pgreensl 02/03/2004	_____	mbarman 02/03/2004	sbasford 02/05/2004 sbasford 02/05/2004	

Vers.    Drafted    Reviewed    Typed    Proofed    Submitted    Jacketed    Required

FE Sent For:

AK  
Intro

<END>

**2003 DRAFTING REQUEST**

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Wanted: **As time permits**

Identical to LRB:

For: **Roger Breske (608) 266-2509**

By/Representing: **Beth**

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

Drafter: **mshovers**

May Contact:

Addl. Drafters:

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

Extra Copies:

Submit via email: **YES**

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

Carbon copy (CC:) to:

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**Pre Topic:**

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1?	mshovers	1 cis 2/3 04	2/3 PS	2/3 PS/Ch			
11 MES 1/29/04							
FE Sent For:							
<END>							

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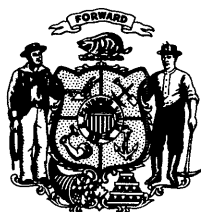
# ROGER BRESKE

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STATE SENATOR

12th District



**Capitol Address:**

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P.O. Box 7882  
Madison, WI 53707-7882  
(608) 266-2509

**Toll Free:**

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(715) 454-6575

**E-Mail Address:**

Sen.Breske@legis.state.wi.us

## MEMORANDUM

January 23, 2004

**TO:** Joseph Kreye, Drafting Attorney  
Mark Shovers, Drafting Attorney  
Legislative Reference Bureau

**FR:** Elizabeth Piliouras for  
Senator Roger Breske

**RE:** Unincorporated county exemption under TIF.

---

Roger would like legislation drafted that would allow a county, within which no town, village or city has been incorporated, to create a TID.

As always, please feel free to give me a call if you have any questions or concerns regarding this request.

allow any county that has no  
cities or villages in it, to create a  
TIF district -

(Florence & Menominee counties)  
town board/<sup>of town in which TIF is located</sup> must approve the creation

see AB 478

Beth Sen. Breske  
62509

- 4166 / 1  
ARB-2127A  
MES:cjs:pg1

WANTED:  
SOON

2003 ASSEMBLY BILL 437

stays (RMTR)

July 21, 2003 - Introduced by Representatives LOEFFELHOLZ, OTT, MUSSER, PETROWSKI, AINSWORTH, GUNDERSON, HUNDERTMARK, McCORMICK, BIES, OWENS, WARD, HINES, PETTIS, J. WOOD, KESTELL, KERKMAN, M. WILLIAMS, TOWNS, HAHN, POWERS, LOTHIAN, VRAKAS, JOHNSRUD, J. FITZGERALD, SERATTI, WEBER, HUEBSCH, LADWIG, KREIBICH, GRONEMUS, FREESE, ALBERS, FRISKE, SUDER and STONE, cosponsored by Senators KEDZIE, SCHULTZ, BRESKE, KANAVAS and A. LASEE. Referred to Committee on Rural Development.

repeal

1 AN ACT to create 60.23 (32) of the statutes; and to affect Laws of 1975, chapter  
2 105, section 1 (1) and (2); relating to: <sup>allowing certain counties</sup> granting towns limited authority to  
3 create tax incremental financing districts.

<sup>2 percent</sup> 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% 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 is called a "tax increment." The tax increment is placed in a special fund that may be used only to pay back the project costs of the TID. The costs of a TID, which are initially incurred by the creating city or village, include public works



**ASSEMBLY BILL 437**

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.

~~This bill authorizes towns to use tax incremental financing for limited purposes. Under the bill, a town may use the TIF law to expend money or incur monetary obligations for projects related to tourism, agriculture, or forestry. A town may also use the TIF law for residential projects, but only to the extent that the residential project has a necessary and incidental relationship to tourism, agriculture, or forestry. Under the bill, towns may also use the TIF law for retail projects to the extent that the retail development is related to the retail sale of a product that is produced due to an agriculture or forestry project.~~

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

---

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

1       SECTION 1. 60.23 (32) of the statutes is created to read:

2       60.23 (32) TOWN TAX INCREMENT POWERS. (a) Subject to par. (b), exercise all  
3 powers of cities under s. 66.1105. If the town board exercises the powers of a city  
4 under s. 66.1105, it is subject to the same duties as a common council under s. 66.1105  
5 and the town is subject to the same duties and liabilities as a city under s. 66.1105.

6       (b) The only projects for which a town may expend money or incur monetary  
7 obligations as a "project cost," as that term is defined in s. 66.1105 (2) (f) 1., while  
8 exercising the powers under par. (a), are the following:

- 9       1. Projects related to tourism.
- 10       2. Projects related to agriculture.
- 11       3. Projects related to forestry.



4166/1

R-MNR

2003 1999 BILL

regen

1 AN ACT to amend 66.437; to create 59.57 (3) and 60.23 (32) of the statutes; and  
 2 to affect Laws of 1975, chapter 105, section 1 (1) and (2); relating to: allowing  
 3 ~~towns and~~ <sup>certain</sup> counties to use tax incremental financing.

---

*within specified time frames*  
**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% 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, 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 creation by the city or village of a joint review board to review the proposal. The joint review board, which is made up of representatives of the overlying taxing jurisdictions of the proposed TID, must approve the project plan or the TID may not be created. If an existing TID project plan is amended by a planning commission, these steps are also required.

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

**BILL**

~~is placed in a special fund that may only be used to pay back the 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 on 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.~~

This bill authorizes ~~towns and~~ counties to use tax incremental financing of each town in which the proposed district is to be located. For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*in which no cities or villages are located*

*and create a TID if the town board of each town in which the proposed district is to be located approves*

*TID*

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

*of a county in which no cities or villages are located*

SECTION 1. 59.57 (3) of the statutes is created to read:

59.57 (3) TAX INCREMENTAL FINANCING. (a) *Authority*. Subject to par. (b), a county board may exercise all powers of cities under s. ~~66.110~~<sup>66.1105</sup>. If the board exercises the powers of a city under s. ~~66.46~~<sup>66.1105</sup>, it is subject to the same duties as a common council under s. ~~66.46~~<sup>66.1105</sup> and the county is subject to the same duties and liabilities as a city under s. ~~66.46~~.

(b) *Limitations*. A board acting under par. (a) may not create a tax incremental district ~~that contains any territory that is part of another tax incremental district that has been created by a city, village or town.~~ *unless the town board of each town in which the proposed district is to be located adopts a resolution approving of the creation of the district*

SECTION 2. 60.23 (32) of the statutes is created to read:

~~60.23 (32) TOWN TAX INCREMENT POWERS. Exercise all powers of cities under s. 66.46. If the town board exercises the powers of a city under s. 66.46, it is subject to the same duties as a common council under s. 66.46 and the town is subject to the same duties and liabilities as a city under s. 66.46.~~

SECTION 3. 66.437 of the statutes is amended to read:

**BILL**

1 **66.437 Towns to have certain city powers.** Towns shall have all of the  
2 powers of cities under ss. 66.40 to 66.425, 66.43, 66.431, 66.4325, 66.46, 66.505 and  
3 66.508, except the powers under s. 66.40 (10) and any other powers that conflict with  
4 statutes relating to towns and town boards.

5 **SECTION 4.** Laws of 1975, chapter 105, section 1 (1) and (2) are amended to read:

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

18 (2) The legislature further finds that accomplishment of the vital and beneficial  
19 public purposes of sections 66.405 to 66.425, 66.43, 66.431, 66.435 and 66.52 of the  
20 statutes, is being frustrated because of a lack of incentives and financial resources.  
21 The purpose of this act is to create a viable procedure by which a city ~~or~~, village, ~~town~~  
22 or county, through its own initiative and efforts, may finance projects which will tend  
23 to accomplish these laudable objectives.

24 (END)

## Northrop, Lori

---

**From:** Sen.Breske  
**Sent:** Wednesday, February 04, 2004 10:29 PM  
**To:** Northrop, Lori; Marchant, Robert; Doyle, Donna  
**Subject:** FW: LRB 03-4166/1 attached as requested

**To Do:** legislation

The original email from the LRB for LRB03-4166/1 was accidentally deleted from the Senator's inbox.

Could you please have this draft jacketed for Senate? Please call 266-2509 if you have any questions regarding this request.

Beth Piliouras for  
Senator Roger Breske

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

**From:** Northrop, Lori  
**Sent:** Wednesday, February 04, 2004 6:33 PM  
**To:** Piliouras, Elizabeth  
**Subject:** LRB 03-4166/1 attached as requested



03-4166/1