

2003 DRAFTING REQUEST

Bill

Received: **10/28/2003**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Michael Lehman (608) 267-2367**

By/Representing: **Vicky**

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: **Rep.LehmanM@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Allow the department of revenue to charge to recalculate a tax incremental district's (TIF) base value

Instructions:

See Attached. Based on AB 478 (-2574/2), bill sections 1, 22, and 72.

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 10/28/2003	kfollett 10/29/2003		_____			S&L
/1			jfrantze 10/30/2003	_____	lemery 10/30/2003	lemery 11/04/2003	S&L
/2	mshovers	kfollett	jfrantze	_____	sbasford	sbasford	S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	11/04/2003	11/04/2003	11/04/2003	_____	11/04/2003	11/04/2003	
/3	mshovers 11/05/2003	kfollett 11/05/2003	rschluet 11/05/2003	_____ _____ _____ _____	mbarman 11/05/2003 mbarman 11/05/2003	_____ 11/05/2003 mbarman 11/05/2003	

FE Sent For: 11/04/2003.

old version
 ↗ ("12")

<END>

→ sent to Sen. Stepp
 → per Vicly @ Rep. Lehman

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Handwritten signatures and initials:
1153 PB

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	11/04/2003	11/04/2003	11/04/2003 _____		11/04/2003	11/04/2003	

FE Sent For:

<END>

11/21
~~11~~ 11/4/03
per MES

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12 MES 11/3/03
13 MES 11/4/03

[Handwritten signatures]
11/4
11/4

Send jacket
back to
Sen. Stepp

FE Sent For:

<END>

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By/Representing: **Vicky**

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Subject: **Munis - tax incrmntal financing**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.LehmanM@legis.state.wi.us**

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/?	mshovers 10/28/2003	kfollett 10/29/2003		_____			S&L
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FE Sent For:

<END>

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Wanted: As time permits

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By/Representing: Vicky

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: Rep.LehmanM@legis.state.wi.us

Carbon copy (CC:) to: Maureen.Kraak@legis.state.wi.us

Pre Topic:

No specific pre topic given

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1?	mshovers	11/1/03	7/10/30	Jck			
1 (MES)	10/28/03	10/29/03		10/30			

FE Sent For:

<END>

Shovers, Marc

From: Halverson, Vicky
Sent: Tuesday, October 28, 2003 11:33 AM
To: Shovers, Marc
Subject: Earlier Request

Marc:

Mickey just told me that he would like to have a hearing on the legislation I requested this morning in mid-November. Would it be possible to get the draft back within a week or so?

Vicky



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-3585

MES. 10/28

Thurs. AM.

RM NR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

~~WANTED:
Fri.
IN 10/28~~

gm

1 AN ACT ...; relating to: authorizing the Department of Revenue to impose a fee
2 to determine or redetermine the tax incremental base of a tax incremental
3 financing district.

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.

Once these steps are accomplished, the city or village clerk is required to complete certain forms and an application and submit the documents to the Department of Revenue (DOR) on or before December 31 of the year in which the TID is created. Upon receipt of the application, DOR is required to determine the full aggregate value of the taxable property, and of certain city or village owned property, that lies within the TID.

Once the aggregate value is determined, DOR certifies the "tax incremental base" of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If development in the TID increases the value of the

X

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 only be used to pay back the project costs of the TID. The project 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 23 years, or 27 years in certain cases, after the TID is created, whichever is sooner. Under current law, TIDs are required to terminate, 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 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.

than x

If an existing TID project plan is amended by a planning commission, all of the steps described above are also required, and DOR must redetermine the TID's tax incremental base.

Under this bill, DOR is authorized to impose a fee of \$1,000 on a city or village to determine or redetermine the tax incremental base of a TID. Revenues collected from such a fee are to be use^d by DOR to provide staff and administrative services to TIDs.

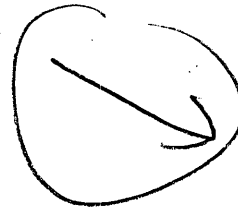
x

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

(END)



ASSEMBLY BILL 478

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

This bill makes technical changes to the environmental remediation tax incremental financing program. These changes include creating a definition of "project expenditures" and a definition of "environmental remediation tax incremental district" (ERTID) that is somewhat similar to the definition of "tax incremental district" under the TIF program; making changes to the definitions of "environmental remediation tax increment," "environmental remediation tax incremental base," "period of certification," and "taxable property"; creating procedures for the termination of an ERTID that are similar to the termination procedures for a tax incremental district under the TIF program; requiring that the final report under the program include an independent certified financial audit; requiring that DOR be provided with a final accounting of the ERTID's project expenditures and the final amount of eligible costs that have been paid for an ERTID; and modifying certain provisions of the program to apply to contiguous parcels of property or land, as well as a parcel of property or land. Also under the bill, if a city or village annexes property from a town that is using an ERTID to remediate environmental pollution on all or part of the territory that is annexed, the city or village must pay to the town that portion of the eligible costs that are attributable to the annexed territory. The city or village, and the town, must negotiate an agreement on the amount that must be paid.

Generally, this bill takes effect on the first day of the 4th month after the bill is enacted.

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. 20.566 (1) [✓](go) of the statutes is created to read:

2 20.566 (1) (go) *Administration of tax incremental financing program.* All
3 moneys received from the fees imposed under s. 66.1105 (5) (a) to pay the costs of the

ASSEMBLY BILL 478

1 department of revenue in providing staff and administrative services associated
2 with tax incremental districts under s. 66.1105.

3 **SECTION 2.** 66.1105 (2) (cm) of the statutes is created to read:

4 66.1105 (2) (cm) "Mixed-use development" means a development that contains
5 a combination of industrial, commercial, or residential uses, except that residential
6 use, as shown in the project plan, may not exceed 35%, by area, of the real property
7 within the district.

8 **SECTION 3.** 66.1105 (2) (f) 1. i. of the statutes is amended to read:

9 66.1105 (2) (f) 1. i. Payments made, in the discretion of the local legislative body,
10 which are found to be necessary or convenient to the creation of tax incremental
11 districts or the implementation of project plans, including payments made to a town
12 that relate to property taxes levied on territory to be included in a tax incremental
13 district as described in sub. (4) (gm) 1.

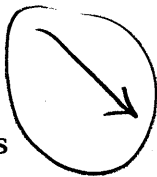
14 **SECTION 4.** 66.1105 (2) (f) 2. d. of the statutes is created to read:

15 66.1105 (2) (f) 2. d. Cash grants made by the city to owners, lessees, or
16 developers of land that is located within the tax incremental district unless the grant
17 recipient has signed a development agreement with the city.

18 **SECTION 5.** 66.1105 (2) (f) 3. of the statutes is amended to read:

19 66.1105 (2) (f) 3. Notwithstanding subd. 1., project costs may not include any
20 expenditures made or estimated to be made or monetary obligations incurred or
21 estimated to be incurred by the city for newly platted residential development for any
22 tax incremental district for which a project plan is approved after September 30,
23 1995 or for which an amendment of a project plan is approved after the effective date
24 of this subdivision [revisor inserts date].

25 **SECTION 6.** 66.1105 (3) (e) of the statutes is amended to read:



ASSEMBLY BILL 478

1 its proposal, the board shall review the resubmitted proposal and vote to approve or
2 deny the proposal as specified in this paragraph.

3 SECTION 21. 66.1105 (4m) (b) 5. of the statutes is created to read:

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

8 SECTION 22. 66.1105 (5) (a) of the statutes is amended to read:

9 66.1105 (5) (a) Upon ~~subject to sub. (8) (a) (i) (A) upon~~ the creation of a tax
10 incremental district or upon adoption of any amendment subject to par. (c), its tax
11 incremental base shall be determined as soon as reasonably possible. The
12 department of revenue may impose a fee of \$1,000 on a city to determine or
13 redetermine the tax incremental base of a tax incremental district under this
14 subsection.

15 SECTION 23. 66.1105 (5) (b) of the statutes is amended to read:

16 66.1105 (5) (b) Upon application in writing by the city clerk, in a form
17 prescribed by the department of revenue, the department shall determine according
18 to its best judgment from all sources available to it the full aggregate value of the
19 taxable property and, except as provided in par. (bm), of the city-owned property in
20 the tax incremental district. The application shall state the percentage of territory
21 within the tax incremental district which the local legislative body estimates will be
22 devoted to retail business at the end of the maximum expenditure period specified
23 in sub. (6) (am) 1. c. if that estimate is at least 35%. Subject to sub. (8) (d), the
24 department shall certify this aggregate valuation to the city clerk, and the aggregate
25 valuation constitutes the tax incremental base of the tax incremental district. The

plain



ASSEMBLY BILL 478

1 treasurer shall retain for the taxation district and for each tax incremental district
 2 within the taxation district and each environmental remediation tax incremental
 3 district created by the taxation district its proportionate share of real property taxes.
 4 The taxation district treasurer shall also distribute to the county the proportionate
 5 share of real property taxes for each environmental remediation tax incremental
 6 district created by the county.

7 SECTION 69. 79.095 (1) (c) of the statutes is amended to read:

8 79.095 (1) (c) "Taxing jurisdiction" means a municipality, county, school
 9 district, special purpose district, tax incremental district, environmental
 10 remediation tax incremental district, or technical college district.

11 SECTION 70. 79.095 (2) (b) of the statutes is amended to read:

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

16 SECTION 71. 234.01 (4n) (a) 3m. a. of the statutes is amended to read:

17 234.01 (4n) (a) 3m. a. The facility is in a tax incremental district or an
 18 environmental remediation tax incremental district or is the subject of an urban
 19 ~~development action grant and will result in a net economic benefit to the state.~~

20 SECTION ~~72~~[#]. Nonstatutory provisions.

21 (1) The authorized FTE positions for the department of revenue are increased
 22 by 1.0 PR position to be funded from the appropriation under section 20.566 (1) (go)
 23 of the statutes, as created by this act, for the purpose of performing services related
 24 to tax incremental districts.

25 SECTION 73. Initial applicability.



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1 (1) Except as provided in subsections (2) and (4), this act first applies to a tax
2 incremental district that is in existence on the effective date of this subsection or that
3 is created on the effective date of this subsection.

4 (2) Except as provided in subsection (4), the treatment of section 66.1105 (2) (f)
5 1. i. and 2. d., (3) (e) and (g), (4) (e), (gm) 1. and 6., and (h) 2., (4m) (a), (am), and (b)
6 2., 2m., 4., and 5., (5) (a) (as it relates to the department of revenue's certification of
7 a tax incremental base), (b), (c), and (ce), (6) (e) 1. d. and 2., (7) (ae), (am), and (ar),
8 and (8) (title), (c), and (d) of the statutes, the renumbering and amendment of section
9 66.1105 (6) (a) and (am) 1. of the statutes, and the creation of section 66.1105 (6) (a)
10 5. and (am) 1. c. of the statutes first apply to a tax incremental district that is created
11 on *or whose tax incremental base* October 1, 2004.

12 (3) This act first applies to an environmental remediation tax incremental
13 district, the written remediation proposal for which is approved by the political
14 subdivision's governing body on the effective date of this subsection.

15 (4) The treatment of section 66.1105 (2) (f) 1. i. and 2. d., (4) (gm) 1. and (h) 2.,
16 (4m) (b) 2. and 4., (5) (b), (c), and (ce), and (6) (e) 1. d. of the statutes first applies to
17 the amendment of a tax incremental district's project plan that takes effect on
18 October 1, 2004.

Change Components SECTION 74. Effective dates. This act takes effect on *the first day of the 4th*
20 ~~month beginning after publication, except as follows:~~

21 (1) ~~The treatment of sections 20.566 (1) (go) and 66.1105 (5) (a) (as it relates to~~
22 ~~the fee that may be imposed by the department of revenue) of the statutes and~~
23 ~~Section 72 of this act take effect on January 1, 2004, or on the day after publication,~~
24 whichever is later.

ASSEMBLY BILL 478

1 ~~(2) The treatment of section 66.1105 (2) (f) 1. i and 2. d., (3) (e) and (g), (4) (e),~~
2 ~~(gm) 1., 4. a., and 6., and (h) 2., (4m) (a), (am), (b) 2., 2m., 4. and 5., (5) (a) (as it relates~~
3 ~~to the department of revenue's certification of a tax incremental base), (b), (c), and~~
4 ~~(ce), (6) (e) 1. d. and 2., (7) (ae), (am), and (ar), and (8) (title), (c), and (d) of the statutes,~~
5 ~~the renumbering and amendment of section 66.1105 (6) (a) and (am) 1. of the~~
6 ~~statutes, and the creation of section 66.1105 (6) (a) 5. and (am) 1. c. of the statutes~~
7 ~~take effect on October 1, 2004, or on the day after publication, whichever is later.~~

8 (END)

Emery, Lynn

From: Emery, Lynn
Sent: Thursday, October 30, 2003 8:47 AM
To: Kraak, Maureen
Subject: LRB-3585/1 (attached as requested by Vicky)



03-3585/1

Lynn Emery
Program Assistant
Legislative Reference Bureau
608-266-3561
lynn.emery@legis.state.wi.us

Emery, Lynn

From: Halverson, Vicky
Sent: Tuesday, November 04, 2003 8:45 AM
To: LRB.Legal
Subject: Draft review: LRB 03-3585/1 Topic: Allow the department of revenue to charge to recalculate a tax incremental district's (TIF) base value

Senate

It has been requested by <Halverson, Vicky> that the following draft be jacketed for the ~~ASSEMBLY~~:

Draft review: LRB 03-3585/1 Topic: Allow the department of revenue to charge to recalculate a tax incremental district's (TIF) base value

*per vicky
needs
companion
for
Assembly*



WISCONSIN LEGISLATIVE COUNCIL

Terry C. Anderson, Director
Laura D. Rose, Deputy Director

TO: MARC E. SHOVERS
FROM: William Ford, Senior Staff Attorney
RE: Revisions to LRB-3137/P1 and Response to Drafter's Notes
DATE: October 2, 2003

Instructions
for 12
of -3585
see blue highlights

This memorandum responds to each of the questions you raised in drafter's notes pertaining to LRB-3137/P1. In addition, this memorandum describes revisions to LRB-3137/P1 requested by Representative M. Lehman and Senator Stepp. Please include the revisions in a new draft of LRB-3137.

1. With respect to the drafter's note LRB-3137/P1, please leave the language concerning the qualifications of joint review board members as you have drafted it. The language as drafted provides guidance concerning the ideal qualifications of joint review board members without unnecessarily tying the hands of the appointing authority. In addition, the relevant technical issues raised by the Department of Revenue (DOR) are incorporated into revisions requested in this memorandum.

1m. On page 5, line 3: delete the language on that line and substitute "was completely outside of a metropolitan statistical area, as defined in s. 560.70 (5) prior to the 2000 census".

2. With respect to the drafter's note on page 6 of the draft, do not require that a city or village must agree not to annex any part of the town that is in a tax incremental district until the district terminates.

2m. On page 6, line 11: after "that" insert "lands proposed for".

2p. On page 7, line 2: delete the material on that line and insert "sent to the appropriate joint review board, or if that joint review board has dissolved, retained by the city in the official records for that tax incremental district".

2s. On page 7, line 12: substitute "14" for "30".

3. On page 8, line 8: insert "annexed" before "territory".

3c. Add language to s. 66.1105 (4) (gm) 4. c. to direct the DOR to calculate its equalized value

determinations based on the most recent equalized value of taxable property of the district that is reported under s. 70.57 (1m) prior to the date that the tax incremental district resolution is adopted by the local governing body.

3m. Revise s. 66.1105 (4) (h) 2. so that a city or village may subtract territory from a tax incremental district regardless of whether it exceeds the 12% equalized value limitation.

4. On page 11, line 23: after "city", insert "or for a tax incremental district created by a county in a town under s. 59.57 (3), one representative chosen by the town".

4m. With respect to the drafter's note on page 13 of the draft, the way you have drafted subd. 5. works well. In addition, the revision in item 4 of this memorandum should make it clear that the town in which the tax incremental district is created will have one member on the joint review board.

*I Am
Sub instead
of bid
3/16*

5. In SECTION 20 of the draft, require that a majority of the members of the joint review board may request review by the DOR at any time prior to the joint review board submitting its decision on the tax incremental district resolution. In addition, in SECTION 18 of the draft, if the joint review board votes to request a review by the DOR, extend the period of time within which the joint review board may submit its decision on the tax incremental district resolution to 10 working days after receiving the written response of the DOR, or, if the city or village agrees to revise and resubmit its proposal within 10 working days after the joint review board receives the written response of the DOR, 10 working days after the joint review board receives a resubmitted proposal from the city or village.

6. On page 16, line 10: delete "which reduces project costs".

7. In SECTION 29 of the draft, ~~should the 20-year period for mixed-use development tax incremental districts and the 27-year period for all tax incremental districts other than industrial and mixed-use be specified?~~

8. Delete SECTION 30 from the draft.

9. With respect to the drafter's note on page 20 of the draft, sub. (6) (am) 1. should apply to tax incremental districts in existence when the draft becomes law.

9m. Revise s. 66.1105 (7) (am) 2. to require tax incremental districts that apply for a five-year extension to provide the joint review board with an independent audit demonstrating that the district is unable to pay its project costs within the 20-year period. Require the joint review board to approve a five-year extension if the district presents an independent audit to this effect.

10. On page 21, line 17: delete "that has paid off all of its project costs". In addition, on page 22, line 9, delete all of the material after "districts" to the period on line 10 and insert "cannot be made unless the donor district has first satisfied all of its current year debt service and project cost obligations". In addition, add a provision to s. 66.11 05 (6) that a donor tax incremental district may not apply for or receive a five-year extension under s. 66.1105 (7) (am) 1.

11. With respect to the drafter's note on page 22 of the draft, it is the author's intent that par. (f) apply to both existing and newly created tax incremental districts.

12. In SECTION 46 of the draft, eliminate all references to towns.
13. Delete SECTION 47 (3) from the draft.
14. On page 26, line 19: delete "(3) (g)" [allows standing joint review boards to act with respect to existing tax incremental districts].
15. On page 26, line 19: delete "(h) 2." [allows existing tax incremental districts to adopt up to four amendments to modify district boundaries].
16. Eliminate SECTIONS 20 and 45 from the draft. Include the language of SECTIONS 20 and 45 together with the underscored language on lines 11 through 14 on page 15 of LRB-2574/2 and all the language in SECTIONS 1 and 72 of LRB-2574/2 into a separate bill draft for Representative M. Lehman and Senator Stepp.

Please contact me with any questions.

WF:ksm:tlu

LRB 3585/1



2
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2003 BILL

Wanted
today
the sooner the better

Regen

Regen

making changes to the
tax incremental financing
program, add

TIF

1 AN ACT to amend 66.1105 (5) (a); and to create 20.566 (1) (go) of the statutes;

2 relating to: authorizing the Department of Revenue to impose a fee to

3 determine or redetermine the tax incremental base of a tax incremental

4 financing districts, and requiring the department to prepare

stet (keep) MAKE a manual tax incremental financing
stet keep

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.

Once these steps are accomplished, the city or village clerk is required to complete certain forms and an application and submit the documents to the Department of Revenue (DOR) on or before December 31 of the year in which the TID is created. Upon receipt of the application, DOR is required to determine the full aggregate value of the taxable property, and of certain city or village owned property, that lies within the TID.

BILL

Once the aggregate value is determined, DOR certifies the "tax incremental base" of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If 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 only be used to pay back the project costs of the TID. The project 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 23 years, or 27 years in certain cases, after the TID is created, whichever is sooner. Under current law, TIDs are required to terminate, 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.

If an existing TID project plan is amended by a planning commission, all of the steps described above are also required, and DOR must redetermine the TID's tax incremental base.

Under this bill, DOR is authorized to impose a fee of \$1,000 on a city or village to determine or redetermine the tax incremental base of a TID. Revenues collected from such a fee are to be used by DOR to provide staff and administrative services to TIDs. *The bill also requires DOR to prepare and update a TIF manual.*

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. 20.566 (1) (go) of the statutes is created to read:
- 2 20.566 (1) (go) *Administration of tax incremental financing program.* All
- 3 moneys received from the fees imposed under s. 66.1105 (5) (a) to pay the costs of the
- 4 department of revenue in providing staff and administrative services associated
- 5 with tax incremental districts under s. 66.1105.

SECTION 2. 66.1105 (5) (a) of the statutes is amended to read:

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circumstances, after a TID pays off its project costs, but not later 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 makes a number of technical and substantive changes to the TIF program. Among the technical changes, the bill does the following:

1. Prohibits DOR from certifying a tax incremental base of a TID until DOR reviews and approves the findings submitted by the city or village relating to the equalized value of taxable property in the TID and the equalized value of all of the taxable property in the city or village.
2. Allows a representative from a union high school district and a representative from an elementary school district to each have one-half vote on a joint review board.
3. Changes from 10 days to 60 days the time period in which a city or village must notify DOR of a TID's termination.
4. Requires a city or village to provide DOR with a final accounting of TID project expenditures, project costs, and positive tax increments received. If the city or village does not provide this information to DOR within the time period agreed on by the city or village and DOR, DOR may not certify the tax incremental base of any other TID in the city or village.

Among the substantive changes, the bill does the following:

The bill →

Provides that, ~~not later than five days after~~ a joint review board submits its decision on a TIF proposal submitted by a city or village, a majority of the members of the board may request DOR to review the objective facts contained in the documents submitted to the board by the city or village. DOR must investigate the specific fact or item that the members believe is incomplete or inaccurate. If DOR finds that the proposal contains factual inaccuracies or does not comply with other statutory requirements, DOR must return the TIF proposal to the city or village for correction and resubmittal. However, the city or village is not required to correct or resubmit its proposal. *Also under the bill*

before

2. Requires DOR to prepare and update a manual on the TIF program.
3. Authorizes a city or village to create a TID if at least 50% of the area to be included in the TID is a "mixed-use development," which is defined as a development that contains a combination of industrial, commercial, and residential uses and in which the newly platted residential portion consists of no more than 35%, by area of the real property within the district.
4. Authorizes a county that is not included in a metropolitan statistical area to create a TID in a town, if the town board agrees, if all contiguous cities and villages agree, and if the town and such cities and villages enter into a cooperative plan boundary agreement.
5. Specifies that, generally, the public schools representative to a TID's joint review board is the school board president or the president's designee; that the county representative is the county executive if there is one, or the county board chair, or the executive's or board chair's designee; that the city or village

NOH

Joint review
TIF
on a proposal
The board must submit its decision to a city or village no later than 7 days after the board acts on and reviews the proposal or, if the board requests a DOR review, not later than 10 days after receiving DOR's response or, if the city or village resubmits its proposal, not later than 10 days after receiving a resubmitted proposal. SEVEN

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

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INSERT 9-21

, except that this 12 percent limit does not apply if a city subtracts territory from a district under par. (h) 2. In determining the equalized value of taxable property under this subdivision paragraph, the department of revenue shall base its calculations on the most recent equalized value of taxable property of the district that is reported under s. 70.57 (1m) before the date on which the resolution under this paragraph is adopted

INSERT ~~11111~~ 2-5, p. 103

SECTION ~~1~~ 66.1105 (4m) (b) 3. of the statutes is amended to read:

66.1105 (4m) (b) 3. The board shall submit its decision to the city no later than 7 days after the board acts on and reviews the items in subd. 2., except that if the board requests a department of revenue review under subd. 4., the board shall submit its decision to the city no later than 10 working days after receiving the department's written response or, if the city resubmits its proposal under subd. 4. no later than 10 working days after the board receives the department's written response, the board shall submit its decision to the city no later than 10 working days after receiving the city's resubmitted proposal.

History: 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104; 2003 a. 34, 46; s. 13.93 (1) (b).

INSERT 18-23

SECTION 2. 66.1105 (6) (a) 4. of the statutes, as affected by 2003 Wisconsin Act 34, 46, is amended to read:

*JNS
2-5, p. 2 of 3*

1 the board approves the resolution adopted under sub. (4) (gm) or (h) 1. by a majority
2 vote ~~not less than 10 days nor more than~~ within 30 days after receiving the
3 resolution. The board may not approve the resolution under this subdivision unless
4 the board's approval contains a positive assertion that, in its judgment, the
5 development described in the documents the board has reviewed under subd. 1.
6 would not occur without the creation of a tax incremental district.

7 SECTION 19. 66.1105 (4m) (b) 2m. of the statutes is amended to read:

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

15 SECTION 20. 66.1105 (4m) (b) 4. of the statutes is created to read:

16 66.1105 (4m) (b) 4. *Before the joint review board submits*
Not later than 5 working days after submitting
17 under subd. 3., a majority of the members of the board may request that the
18 department of revenue review the objective facts contained in any of the documents
19 listed in subd. 1. to determine whether the information submitted to the board
20 complies with this section or whether any of the information contains a factual
21 inaccuracy. The request must be in writing and must specify which particular
22 objective fact or item the members believe is incomplete or inaccurate. Not later than
23 10 working days after receiving a request that complies with the requirements of this
24 subdivision, the department of revenue shall investigate the issues raised in the
25 request and shall send its written response to the board. If the department of



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1 revenue determines that the information in the proposal does not comply with this
2 section or contains a factual inaccuracy, the department shall return the proposal to
3 the city. The board shall request, but may not require, that the city resolve the
4 problems in its proposal and resubmit the proposal to the board. If the city resubmits
5 its proposal, the board shall review the resubmitted proposal and vote to approve or
6 deny the proposal as specified in this paragraph.

7 ~~SECTION 21. 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 22. 66.1105 (5) (a) of the statutes is amended to read:~~

13 ~~66.1105 (5) (a) Upon Subject to sub. (8) (d), upon the creation of a tax~~
14 ~~incremental district or upon adoption of any amendment subject to par. (c), its tax~~
15 ~~incremental base shall be determined as soon as reasonably possible.~~

16 ~~SECTION 23. 66.1105 (5) (b) of the statutes is amended to read:~~

17 ~~66.1105 (5) (b) Upon application in writing by the city clerk, in a form~~
18 ~~prescribed by the department of revenue, the department shall determine according~~
19 ~~to its best judgment from all sources available to it the full aggregate value of the~~
20 ~~taxable property and, except as provided in par. (bm), of the city-owned property in~~
21 ~~the tax incremental district. The application shall state the percentage of territory~~
22 ~~within the tax incremental district which the local legislative body estimates will be~~
23 ~~devoted to retail business at the end of the maximum expenditure period specified~~
24 ~~in sub. (6) (am) 1. if that estimate is at least 35%. Subject to sub. (8) (d) the~~
25 ~~department shall certify this aggregate valuation to the city clerk, and the aggregate~~

SECTION 44. 66.1106 (13) of the statutes is created to read:

~~66.1106 (13) PAYMENT OF ELIGIBLE COSTS FOR ANNEXED TERRITORY, REDETERMINATION OF TAX INCREMENTAL BASE. If a city or village annexes territory from a town and if the town is using an environmental remediation tax increment to remediate environmental pollution on all or part of the territory that is annexed, the city or village shall pay to the town that portion of the eligible costs that are attributable to the annexed territory. The city or village, and the town, shall negotiate an agreement on the amount that must be paid under this subsection. The department shall redetermine the environmental tax incremental base of any parcel of real property for which the environmental remediation tax incremental base was determined under sub. (4) if part of that parcel is annexed under this subsection.~~

SECTION ~~45~~ [#] 73.03 (57) of the statutes is created to read:

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

~~SECTION 46. Laws of 1975, chapter 105, section 1 (1) and (2) are amended to read:~~

~~[Laws of 1975, chapter 105] Section 1 (1) The legislature finds that the existing system of allocating aggregate property tax revenues among tax levying municipalities has resulted in significant inequities and disincentives. The cost of public works or improvements within a city or village, town, or county has been borne entirely by the city or village, town, or county while the expansion of tax base~~

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Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number 03-3585/2	Introduction Number	
Subject Allow the department of revenue to charge to recalculate a tax incremental district's (TIF) base value		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Create New Appropriations		
		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local:		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate		
1. <input checked="" type="checkbox"/> Increase Costs <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
Fund Sources Affected		Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.566(1)(go)		
Agency/Prepared By	Authorized Signature	Date
DOR/ Rebecca Boldt (608) 266-6785	Dennis Collier (608) 266-5773	11/6/2003

Old Version → draft is "1/3" now a "1/3" and was introduced as SB-306 → copy to senator Stepp 11-06-2003

Fiscal Estimate Narratives

DOR 11/6/2003

LRB Number 03-3585/2	Introduction Number	Estimate Type	Original
Subject			
Allow the department of revenue to charge to recalculate a tax incremental district's (TIF) base value			

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a tax incremental finance district (TID) may be created if a municipality adopts a resolution to create the TID and the TID is approved by a joint review board (JRB) comprised of representatives from the municipality, school district, county, and vocational college overlying the TID and a public member. Under current law, the Department of Revenue (DOR) certifies the base value of the TID if certain procedural and notice requirements are met. Current law specifies that the facts supporting any necessary documents are not subject to review by DOR.

Under the bill, a majority of the members of the JRB could request a DOR review of the objective facts contained in any documents associated with the public record, planning documents and municipal resolution adopting a TID. These documents include the following: a) description of TID boundaries; b) a finding that the TID is within the territorial limit; and c) a finding that not less than 50% of the TID is a blighted area, in need of rehabilitation or is suitable for industrial use and is zoned industrial and that the project costs relate directly for these purposes. DOR would be required to investigate the request no later than 10 working days after receiving the request. If DOR determines that the information in the proposal contains incomplete or inaccurate information, the JRB would request that the municipality resolve the problems in the proposal and resubmit the proposal to the board.

The bill also requires DOR to create and update a manual on the tax incremental finance (TIF) program. The manual would include the rules relating to the program, common problems faced by municipalities, possible side effects of the use of TIF, and any other information DOR determines appropriate.

The bill authorizes DOR to impose a \$1,000 filing fee (program revenue) for the determination or redetermination of the base value of TIDs.

Under current law, DOR annually certifies the base value of approximately 84 newly created or amended TID. Thus, the filing fee authorized under the bill would generate approximately \$84,000 annually in program revenue to pay the cost of one FTE authorized under the bill for the purposes of performing services related to TIDs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-3585/2		Introduction Number	
Subject			
Allow the department of revenue to charge to recalculate a tax incremental district's (TIF) base value			
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 funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$56,500	
	(FTE Position Changes)	(1.0 FTE)	
	State Operations - Other Costs	27,500	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$84,000	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS (20.566(1)(go))	84,000	
	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		\$84,000	\$See
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DOR/ Rebecca Boldt (608) 266-6785		Dennis Collier (608) 266-5773	11/6/2003



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-3585/2

MES:kjf:jf

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RMR

2003 SENATE BILL

Wanted:
today - early p.m.
by NOON if
possible

Regen

1 AN ACT *to amend* 66.1105 (4m) (b) 3. and 66.1105 (5) (a); and *to create* 20.566
2 (1) (go), 66.1105 (4m) (b) 4. and 73.03 (57) of the statutes; **relating to:** making
3 changes to the Tax Incremental Financing program, authorizing the
4 Department of Revenue to impose a fee to determine or redetermine the tax
5 incremental base of a tax incremental financing district, and requiring the
6 department to prepare a tax incremental financing *Manual*.



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.

Once these steps are accomplished, the city or village clerk is required to complete certain forms and an application and submit the documents to the Department of Revenue (DOR) on or before December 31 of the year in which the TID

SENATE BILL

is created. Upon receipt of the application, DOR is required to determine the full aggregate value of the taxable property, and of certain city or village owned property, that lies within the TID.

Once the aggregate value is determined, DOR certifies the "tax incremental base" of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If 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 only be used to pay back the project costs of the TID. The project 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 23 years, or 27 years in certain cases, after the TID is created, whichever is sooner. Under current law, TIDs are required to terminate, 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.

If an existing TID project plan is amended by a planning commission, all of the steps described above are also required, and DOR must redetermine the TID's tax incremental base.

Under this bill, DOR is authorized to impose a fee of \$1,000 on a city or village to determine or redetermine the tax incremental base of a TID. Revenues collected from such a fee are to be used by DOR to provide staff and administrative services to TIDs. The bill also requires DOR to prepare and update a TIF manual.

The bill provides that, before a joint review board submits its decision on a TIF proposal submitted by a city or village, a majority of the members of the board may request DOR to review the objective facts contained in the documents submitted to the board by the city or village. DOR must investigate the specific fact or item that the members believe is incomplete or inaccurate. If DOR finds that the proposal contains factual inaccuracies or does not comply with other statutory requirements, DOR must return the TIF proposal to the city or village for correction and resubmittal. However, the city or village is not required to correct or resubmit its proposal. Also under the bill, the joint review board must submit its decision on a TIF proposal to a city or village no later than seven days after the board acts on and reviews the proposal ^{except that} if the board requests a DOR review, ^{the board must submit its decision} not later than 10 working days after receiving DOR's response or, if the city or village resubmits its proposal, ^{within 10 days} not later than 10 days after receiving a resubmitted proposal.



SENATE BILL

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. 20.566 (1) (go) of the statutes is created to read:

2 20.566 (1) (go) Administration of tax incremental financing program. All
3 moneys received from the fees imposed under s. 66.1105 (5) (a) to pay the costs of the
4 department of revenue in providing staff and administrative services associated
5 with tax incremental districts under s. 66.1105.

renumbered 66.1105 (4m) (b) 3. (Intro. and)
do one of the following:

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

change compared

7 66.1105 (4m) (b) 3. (Intro.) ← plain
8 The board shall submit its decision to the city no later than
9 7 days after the board acts on and reviews the items in subd. 2., except that, if the
10 board requests a department of revenue review under subd. 4., the board shall

11 submit its decision to the city no later than 10 working days after receiving the
12 department's written response, if the city resubmits its proposal under subd. 4. no
13 later than 10 working days after the board receives the department's written
14 response, ~~the board shall~~ submit its decision to the city no later than 10 working days
15 after receiving the city's resubmitted proposal.

16 SECTION # 66.1105 (4m) (b) 4. of the statutes is created to read:

17 66.1105 (4m) (b) 4. Before the joint review board submits its decision under
18 subd. 3., a majority of the members of the board may request that the department
19 of revenue review the objective facts contained in any of the documents listed in subd.
20 1. to determine whether the information submitted to the board complies with this
21 section or whether any of the information contains a factual inaccuracy. The request
must be in writing and must specify which particular objective fact or item the

SECTION # 66.1105 (4m) (b) 3. a. and b. are created to read:
66.1105 (4m) (b) 3. a.

no scoring
no scoring

SENATE BILL

1 members believe is incomplete or inaccurate. Not later than 10 working days after
2 receiving a request that complies with the requirements of this subdivision, the
3 department of revenue shall investigate the issues raised in the request and shall
4 send its written response to the board. If the department of revenue determines that
5 the information in the proposal does not comply with this section or contains a factual
6 inaccuracy, the department shall return the proposal to the city. The board shall
7 request, but may not require, that the city resolve the problems in its proposal and
8 resubmit the proposal to the board. If the city resubmits its proposal, the board shall
9 review the resubmitted proposal and vote to approve or deny the proposal as
10 specified in this paragraph.

11 SECTION ~~4~~ 66.1105 (5) (a) of the statutes is amended to read:

12 66.1105 (5) (a) Upon the creation of a tax incremental district or upon adoption
13 of any amendment subject to par. (c), its tax incremental base shall be determined
14 as soon as reasonably possible. The department of revenue may impose a fee of
15 \$1,000 on a city to determine or redetermine the tax incremental base of a tax
16 incremental district under this subsection.

17 SECTION ~~5~~ 73.03 (57) of the statutes is created to read:

18 73.03 (57) To create, and update, a manual on the tax incremental finance
19 program under s. 66.1105. The manual shall contain the rules relating to the
20 program, common problems faced by cities and villages under the program, possible
21 side effects of the use of tax incremental financing, and any other information the
22 department determines is appropriate. The department may consult with, and
23 solicit the views of, any interested person while preparing or updating the manual.

24 SECTION ~~6~~ Nonstatutory provisions.

SENATE BILL

1 (1) The authorized FTE positions for the department of revenue are increased
2 by 1.0 PR position to be funded from the appropriation under section 20.566 (1) (go)
3 of the statutes, as created by this act, for the purpose of performing services related
4 to tax incremental districts.

5 **SECTION ~~7~~ Effective date.**

6 (1) This act takes effect on January 1, 2004, or on the day after publication,
7 whichever is later.

8

(END)



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

1 EAST MAIN, SUITE 200
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 264-6948

STEPHEN R. MILLER
CHIEF

November 12, 2003

MEMORANDUM

To: Senator Stepp

From: Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129

Subject: Technical Memorandum to **SB-306** (LRB 03-3585/3)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

November 10, 2003

TO: Marc Shovers
Legislative Reference Bureau

FROM: Dennis Collier
Department of Revenue

SUBJECT: Technical Memorandum on SB 306 – Allow the Department of Revenue to Charge to Recalculate a Tax Incremental District's Base Value

The effective date of the bill is January 1, 2004 or on the day after publication, whichever is later. The Department of Revenue (DOR) has concerns related to the effective date as it relates to a review request by a joint review board (Sections 2-4). The effective date would leave the department with little time to establish guidelines and procedures regarding what documents would be subject to a review and how DOR would undertake the review. Also, the effective date would create the possibility that some TIDs certified with a 2004 base value could be subject to a DOR review while other TIDs with the same certified base year would not. The author may wish to consider an October 1, 2004 effective date for these sections.

A January 1, 2004 effective date is appropriate for the provisions related to a TIF filing fee (Sections 1 and 5), a TIF manual (Section 6), and the 1 FTE position (Section 7) as these changes would help establish the guidelines necessary for a DOR review and any other TIF changes.

If you have questions regarding this technical memorandum, please contact Rebecca Boldt at 266-6785.