

**2003 DRAFTING REQUEST**

**Senate Substitute Amendment (SSA-SB428)**

Received: 02/24/2004

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Cathy Stepp (608) 266-1832

By/Representing: Bill Ford

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.Stepp@legis.state.wi.us

Carbon copy (CC:) to:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Extend the expenditure peroid and life of a tax incremental district (TID) in West Bend; various changes to TIF statute

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**Instructions:**

See attached.

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**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 02/25/2004	kgilfoy 02/25/2004		_____			
/P1			rschluet 02/25/2004	_____	lnorthro 02/25/2004		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	mshovers 02/26/2004	kgilfoy 02/26/2004	jfrantze 02/26/2004	_____	Inorthro 02/26/2004	Inorthro 02/26/2004	

FE Sent For:

<END>

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1? mshovers

1/PI - 2/25  
kmg

2 25 4 kmg  
<END>

1/PI ME S 2/25/04

FE Sent For:

## Shovers, Marc

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**From:** Ford, William  
**Sent:** Tuesday, February 24, 2004 1:00 PM  
**To:** Shovers, Marc  
**Cc:** Manley, Scott

To: Marc Shovers

From: Bill Ford

Re: DRAFTING REQUEST FOR SUBSTITUTE AMENDMENT TO 2003 SENATE BILL 428

Please draft a substitute amendment to 2003 Senate Bill 428 which accomplishes the following:

1. Amend s. 66.1105 (6) (a) 4., as amended by Enrolled 2003 Senate Bill 305, to provide that tax increments may be allocated 27 years after the Tid is created if it is created after September 30th, 1995 and before October 1st, 2004 and if the Tid is either a "blighted area" or an "area in need of rehabilitation" Tid. *may be allocated for 32 yrs if proj. plan is amended*
2. Create language that re-establishes s.66.1105 (7) (am) that was repealed by ENROLLED 2003 SENATE BILL 305, which specifies the maximum existence for TIDS created prior to October 1st, 2004. Amend this language to provide that a "blighted area" or in "area in need of rehabilitation" Tid that was created after September 30th, 1995 and before October 1st, 2004 terminates 16 years after the last expenditure identified in the project plan is made, except that in no case made the total number of years during which expenditures are made plus the total number of years during which tax increments are allocated exceed 27 years, except for districts that are extended for five years as provided in paragraph 3 of this memo. *- may allocate for 32 years if proj plan is amended*
3. Amend s. 66.1105 (7)(am), as repealed and re-created created by Enrolled 2003 Senate BILL 305, to provide that, for a "blighted area" or an "area in need of rehabilitation" Tid that was created after September 30th, 1995 and before October 1st, 2004, the city that created the Tid may request that the joint review board extend the life of the Tid for an additional five years. Provide that, along with this request for a five-year extension, the city may provide the joint review board with an independent audit that demonstrates that the district is unable to pay off its project costs within the 27 years after the district is created. Provide that the joint review board may deny or approve a request to extend the life of the district for five years if the request does not include the independent audit, and that the board shall approve a request to extend the life of the Tid for five years if the request includes the audit. Provide that, if the joint review board extends the district's life, the district shall terminate at the earlier of the end of the extended period or the period or the date specified in s. 66.1105 (7) (a).

Please draft this request for Sen. Stepp. It is anticipated that Senate Bill 428 will be considered by the Senate on Thursday, February 26. Call me if you have any questions or comments (266 -- 0680). Thank you.

0388/Pr

↑  
RMNR

SSA \_\_\_\_\_  
to **2003 SENATE BILL 428**

D-NOTE

today  
By 5:30

February 3, 2004 - Introduced by Senator PANZER, cosponsored by Representative GROTHMAN, Referred to Committee on Economic Development, Job Creation and Housing

Gen. Cont.

1 AN ACT to create 66.1105 (6) (a) 6., 66.1105 (6) (am) 2. d. and 66.1105 (7) (at) of the statutes; relating to: INS. 1-A extending the expenditure period and the life of a tax incremental district in West Bend.

2

percent

or conservation

Analysis by the Legislative Reference Bureau

or suitable for mixed-use development

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 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 costs of the TID. The costs of a TID, which are initially incurred by the creating city

**SENATE BILL 428**

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.

INS  
ANL

Currently, with regard to TID number five in West Bend, expenditures may be made no later than seven years after the TID was created, or through December 31, 2005. That TID must terminate no later than 20 years after the last expenditure is made.

→ substitute amendment

Under this ~~bill~~, the expenditure period for TID number five in West Bend is extended to 15 years after the TID was created, or through December 31, 2013. The ~~bill~~ also authorizes DOR to allocate tax increments to this TID for 31 years after the TID was created, and requires the TID to terminate no later than 16 years after the last expenditure identified in the project plan is made.

~~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:*

INS  
2-1

SECTION 1. 66.1105 (6) (a) ~~of~~ <sup>9</sup> of the statutes is created to read:

INS  
"MB"

66.1105 (6) (a) ~~of~~ <sup>9</sup> Thirty-one years after the tax incremental district is created if the district is created after September 30, 1995, and the expenditure period is specified in par. (am) 2. d.

SECTION 2. 66.1105 (6) (am) 2. d. of the statutes is created to read:

66.1105 (6) (am) 2. d. Expenditures for project costs for Tax Incremental District Number Five in a city that has a population of at least 26,000, that was incorporated in 1885, and that is located in a county that was created in 1836. Such expenditures may be made no later than 15 years after the tax incremental district is created, and may be made through December 31, 2013.

INS 2-10

SENATE BILL 428

FNS  
3-1

1  
2  
3  
4  
5  
6

SECTION 3. 66.1105 (7) (at) of the statutes is created to read:

66.1105 (7) (at) Notwithstanding par<sup>(ak) or</sup>(am), 16 years after the last expenditure identified in the project plan is made if the district to which the plan relates is created after September 30, 1995, and the expenditure period is specified in sub. (6) (am) 2.

INS.  
3-5

INS  
EXIT-APP

d.

(END)

~~making technical changes in the  
tax incremental financing program  
relating to the lifespan of districts~~

~~and, the period during which tax increments  
may be allocated to such districts,  
and~~

2003-2004 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBs0388/?ins  
MES.....

INS. "MA" - attached

INS ANL ✓

Under 2003 Wisconsin Act 126, certain provisions of which take effect on October 1, 2004, and which first apply to a TID that is created on October 1, 2004, DOR may allocate tax increments for 23 years if the TID is created after September 30, 1995. Under this substitute amendment, DOR may allocate tax increments for 27 years if the TID is created after September 30, 1995, and before October 1, 2004, and if the TID is a "blighted area" or a "rehabilitation or conservation" TID.

Act 126 also extends from 23 years to 27 years the maximum life of a blighted area or rehabilitation or conservation TID, and reduces from 23 years to 20 years the maximum life of an "industrial site" or "mixed-use development" TID. In the 18th year of an industrial or mixed-use TID's life, however, the creating city or village may ask the joint review board to extend the TID's life for five years. The city or village may provide the joint review board with an independent audit that demonstrates that the district is unable to pay off its costs within its original 20-year life span. The joint review board may choose to approve or deny a request to extend a TID's life for five years but, if accompanied by an audit, the board must approve a request for a five-year extension. ✓

Under this substitute amendment, subject to one <sup>16</sup>exception, a blighted area or a rehabilitation or conservation TID that is created after September 30, 1995, and before October 1, 2004, must terminate ~~sixteen~~ years after the last expenditure in the project plan is made, except that in no case may the total number of years during which expenditures are made and the total number of years during which tax increments are allocated exceed 27 years. Under the exception created in the substitute amendment, the city that created the TID may request that the joint review board extend the TID's life for five years. The city or village may provide the joint review board with an independent audit that demonstrates that the district is unable to pay off its costs within its original 27-year life span. The joint review board may choose to approve or deny a request to extend a TID's life for five years but, if accompanied by an audit, the board must approve a request for a five-year extension. If such an extension is granted, the substitute amendment authorizes DOR to allocate tax increments for 32 years. ✓

INS INIT APP

**SECTION 1. Initial applicability.**

(1) This act first applies to a tax incremental district that is in existence on the effective date of this subsection or that is created on the effective date of this subsection.

**SECTION 2. Effective date.**

(1) This act takes effect on March 6~~th~~ or the day after publication, whichever is later.

2004,

(M)

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 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.

Under 2003 Wisconsin Act 126, certain provisions of which take effect on October 1, 2004, and which first apply to a TID that is created on October 1, 2004, DOR may allocate tax increments for 23 years if the TID is created after September 30, 1995. Under this substitute amendment, DOR may allocate tax increments for 27 years if the TID is created after September 30, 1995, and before October 1, 2004, and if the TID is a "blighted area" or a "rehabilitation or conservation" TID.

Act 126 also extends from 23 years to 27 years the maximum life of a blighted area or rehabilitation or conservation TID, and reduces from 23 years to 20 years the maximum life of an "industrial site" or "mixed-use development" TID. In the 18th year of an industrial or mixed use TID's life, however, the creating city or village may ask the joint review board to extend the TID's life for five years. The city or village may provide the joint review board with an independent audit that demonstrates that the district is unable to pay off its costs within its original 20 year life span. The joint review board may choose to approve or deny a request to extend a TID's life for five years but, if accompanied by an audit, the board must approve a request for a five-year extension.

Under this substitute amendment, subject to one exception, a blighted area or a rehabilitation or conservation TID that is created after September 30, 1995, and before October 1, 2004, must terminate sixteen years after the last expenditure in the project plan is made, except that in no case may the total number of years during which expenditures are made and the total number of years during which tax

INS. "MA"  
or <sup>for</sup> 23 years if the TID is an "industrial site" TID

INS 2-1 p. 1002

1 is subtracted from the existing district or by adding to the tax incremental base the  
2 value of the taxable property and the value of real property owned by the city, other  
3 than property described in par. (bm), that is added to the existing district under sub.  
4 (4) (h) 2., 3., 4., or 5., as of the January 1 next preceding the effective date of the  
5 amendment if the amendment becomes effective between January 2 and  
6 September 30, as of the next subsequent January 1 if the amendment becomes  
7 effective between October 1 and December 31 and if the effective date of the  
8 amendment is January 1 of any year, the redetermination shall be made on that date.

9 The With regard to a district to which territory has been added, the tax incremental  
10 base as redetermined under this paragraph is effective for the purposes of this  
11 section only if it exceeds the original tax incremental base determined under par. (b).

12 SECTION 25. 66.1105 (5) (d) of the statutes is amended to read:

13 66.1105 (5) (d) The department of revenue may not certify the tax incremental  
14 base as provided in par. (b) until it determines that each of the procedures and  
15 documents required by sub. (4) (a), (b), (gm) or (h) and par. (b) has been timely  
16 completed and all notices required under sub. (4) (a), (b), (gm) or (h) timely given.  
17 The facts supporting any document adopted or action taken to comply with sub. (4)  
18 (a), (b), (gm) or (h) are not subject to review by the department of revenue under this  
19 paragraph, except that the department may not certify the tax incremental base as  
20 provided in par. (b) until it reviews and approves of the findings that are described  
21 in sub. (4) (gm) 4. c.

22 SECTION 26. 66.1105 (6) (a) 3. of the statutes, as affected by 2003 Wisconsin Acts  
23 34 and 46, is repealed.

24 SECTION 27. 66.1105 (6) (a) 4. of the statutes, as affected by 2003 Wisconsin Act  
25 ~~34 and 46~~ is amended to read:

→ ~~34 and 46~~ → ~~act 126,~~

(4)(gm) 4. a.

what about  
indus. site  
TFDs of rip  
9/20/05 &  
before 10/19/04

66.1105 (6) (a) 4. ~~Twenty-three~~ <sup>Twenty-seven</sup> years after the tax incremental district is created if the district is created after September 30, 1995<sup>Plain</sup> and before October 1,

and if the district is a district about which a finding is made under sub. (4) (gm) 4. a. that not less than 50% of the real property within the district is a blighted area or an area in need of rehabilitation or conservation work.

~~SECTION 28. 66.1105 (6) (a) 7. of the statutes is created to read:~~

66.1105 (6) (a) 7. Twenty years after the tax incremental district is created if the district is created on or after the effective date of this subdivision ... [revisor inserts date], and if the district is at least predominantly suitable for mixed-use development or industrial sites under sub. (4) (gm) 6.

SECTION 29. 66.1105 (6) (a) 8. of the statutes is created to read:

66.1105 (6) (a) 8. Twenty-seven years after the tax incremental district is created if the district is created on or after the effective date of this subdivision ... [revisor inserts date], and if the district is a district specified under sub. (4) (gm) 6. other than a district specified under subd. 7.

SECTION 30. 66.1105 (6) (am) 1. of the statutes, as affected by 2003 Wisconsin Act 34, is repealed and recreated to read:

66.1105 (6) (am) 1. Except as otherwise provided in this paragraph, no expenditure may be made later than 5 years before the unextended termination date of a tax incremental district under sub. (7) (am).

SECTION 31. 66.1105 (6) (c) of the statutes is amended to read:

66.1105 (6) (c) Except for tax increments allocated under par. (d), (dm) or (e), or (f) all tax increments received with respect to a tax incremental district shall, upon receipt by the city treasurer, be deposited into a special fund for that district. The city treasurer may deposit additional moneys into such fund pursuant to an appropriation by the common council. No moneys may be paid out of such fund except to pay project costs with respect to that district, to reimburse the city for such

percent  
except that  
if the life of  
the district  
is extended  
under sub. (7)  
(am) 1, an  
allocation under  
this subdivision  
may be made  
30 years  
after such  
a district is  
created

increments are allocated exceed 27 years. Under the exception created in the substitute amendment, the city that created the TID may request that the joint review board extend the TID's life for five years. The city or village may provide the joint review board with an independent audit that demonstrates that the district is unable to pay off its costs within its original 27 year life span. The joint review board may choose to approve or deny a request to extend a TID's life for five years but, if accompanied by an audit, the board must approve a request for a five-year extension. If such an extension is granted, the substitute amendment authorizes DOR to allocate tax increments for 32 years.

Currently, with regard to TID number five in West Bend, expenditures may be made no later than seven years after the TID was created, or through December 31, 2005. That TID must terminate no later that 20 years after the last expenditure is made.

Under this substitute amendment, the expenditure period for TID number five in West Bend is extended to 15 years after the TID was created, or through December 31, 2013. The bill also authorizes DOR to allocate tax increments to this TID for 31 years after the TID was created, and requires the TID to terminate no later than 16 years after the last expenditure identified in the project plan is made.

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

1 SECTION 1. 66.1105 (6) (a) 4. of the statutes, as affected by 2003 Wisconsin Acts  
2 126 is amended to read:

3 66.1105 (6) (a) 4. ~~Twenty-three~~ Twenty-seven years after the tax incremental  
4 district is created if the district is created after September 30, 1995, and before  
5 October 1, 2004, and if the district is a district about which a finding is made under  
6 sub. (4) (gm) 4. a. that not less than 50%, by area of the real property within the  
7 district is a blighted area or an area in need of rehabilitation or conservation work,  
8 except that if the life of the district is extended under sub. (7) (am) 1., an allocation  
9 under this subdivision may be made 32 years after such a district is created.

*percent*

10 SECTION 2. 66.1105 (6) (a) 9. of the statutes is created to read:

*Ins. "MB"*

*Sec. # CR, 66.1105(6)(a)4m.  
66.1105(6)(a)4m. Twenty-three years after the tax incremental  
district is created if the district is created after September 30,  
1995, and before October 1, 2004, and if the district is a district  
about which a finding is made under sub. (4) (gm) 4. a. that not less than 50%  
by area, of the real property within the district is suitable for industrial  
sites.*

Plain

(am)

FNS 2-10 ✓

all plain text

Except as provided in par. (am) 1, 1

Section #. 66.1105 (7) (am) of the statutes as affected by 2003 Wisconsin Act 46, is amended to read:   
 for a district about which a finding is made under sub. (4)(gm) 4. a. that not less than 50% by area of the real property within the district is a blighted area or an area in need of rehabilitation or conservation work, fifteen (15) years

66.1105 (7) (am) ~~Sixteen~~ years after the last expenditure identified in the project plan is made if the district to which the plan relates is created after September 30, 1995, or ~~20 years after the last expenditure identified in the project plan is made if the district to which the plan relates is created before October 1, 1995,~~   
 ~~and before October 1, 2004~~ except that in no case may the total number of years during which expenditures are made under sub. (6) (am) 1. plus the total number of years during which tax increments are allocated under sub. (6) (a) exceed 27 years.

plain

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).

*NS 3-1*

1 ~~allocation is made has paid off the aggregate of all of its project costs under its project~~

2 *(Alan)*

3 *126* SECTION 36. 66.1105 (7) (am) <sup>of 1.</sup> of the statutes, as affected by 2003 Wisconsin Act ~~and 126~~ *amended*

4 ~~is repealed and recreated~~ to read:

5 66.1105 (7) (am) 1. For a district ~~about which a finding is made under sub. (4)~~

6 ~~(gm) 4. a. that not less than 50 percent, by area, of the real property within the district~~

7 ~~is a blighted area or in need of rehabilitation or conservation work, 27 years after the~~

8 ~~district is created~~ *described under par. (a)(k), the time period specified*

9 ~~2. For a district about which a finding is made under sub. (4) (gm) 4 a. that not~~ *in that paragraph except that.*

10 ~~less than 50 percent, by area, of the real property within the district is suitable for~~ *except that*

11 ~~industrial sites or mixed-use development, 20 years after the district is created,~~

12 ~~except that during the 18th year of such a district's existence, the city that created~~

13 ~~the district may request that the joint review board extend the life of the district for~~

14 ~~an additional 5 years. Along with its request for a 5-year extension, the city may~~

15 ~~provide the joint review board with an independent audit that demonstrates that the~~

16 ~~district is unable to pay off its project costs within the ~~20~~ <sup>27</sup> years after the district is~~

17 ~~created. The joint review board may deny or approve a request to extend the life of~~

18 ~~the district for 5 years if the request does not include the independent audit, and the~~

19 ~~board shall approve a request to extend the life of the district for 5 years if the request~~

20 ~~includes the audit. If the joint review board extends the district's life, the district~~

21 ~~shall terminate at the earlier of the end of the extended period or the period specified~~

22 ~~in par. (a).~~ *e*

23 SECTION 37. 66.1105 (7) (ar) of the statutes is amended to read:

24 66.1105 (7) (ar) Notwithstanding par. (am), ~~22~~ <sup>35</sup> years after the last

25 ~~expenditure identified in the project plan is made if the district to which the plan~~

INS  
3-5

Sec.#: ~~AM~~ 2003 Wisconsin Act 126, section 44 and is amended to read.

2003 Senate Bill 305

2003 Wisconsin Act 126

department, all of the following information that relates to the terminated tax incremental district:

1. A final accounting of all expenditures made by the city.
2. The total amount of project costs incurred by the city.
3. The total amount of positive tax increments received by a city.
4. The total amount of project costs, if any, not paid for with tax increments that became obligations of the city after the district was terminated.

SECTION 41. 66.1105 (8) (d) of the statutes is created to read:

66.1105 (8) (d) If a city does not send to the department of revenue the form specified in par. (c) within the time limit agreed to by the city, and the department under par. (c), the department may not certify the tax incremental base of a tax incremental district under sub. (5) (a) and (b) until the form is sent to the department.

SECTION 42. 66.1105 (15) of the statutes is created to read:

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

SECTION 43. 66.1106 (13) of the statutes is created to read:

66.1106 (13) PAYMENT OF ELIGIBLE COSTS FOR ANNEXED TERRITORY, REDETERMINATION OF TAX INCRE-

MENTAL 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 44. Initial applicability.~~  
(1) Except as provided in subsections (2) and (3), this act first applies to a tax incremental district that is in existence on the effective date of this subsection or that is created on the effective date of this subsection.

(2) Except as provided in subsection (3), the treatment of section 66.1105 (2) (f) 1. i. and 2. d., (4) (e) and (gm) 1. and 6., (4m) (a), (ae), (am), and (b) 2., 2m., and 4., (5) (a), (b), (c), and (ce), (6) (a) 4., 7., and 8., (7) (am), and (8) (title), (a), (c), and (d) of the statutes, the renumbering and amendment of section 66.1105 (2) (f) 3. (as it relates to mixed-use development tax incremental districts) of the statutes, and the creation of 66.1105 (2) (f) 3. a. to c. of the statutes first applies to a tax incremental district that is created on October 1, 2004.

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

~~SECTION 45. Effective dates.~~ This act takes effect on the first day of the 4th month beginning after publication, except as follows.

(1) The treatment of section 66.1105 (2) (f) 1. i. and 2. d., (3) (g), (4) (e), (gm) 1., 4. a. and c., and 6., and (h) 2., (4m) (a), (am), (b) 2., 2m., and 4., (5) (a), (b), (c), and (ce), (6) (a) 4., 7., and 8. and (am) 1., (7) (am), and (ar), and (8) (title), (c), and (d) of the statutes takes effect on October 1, 2004, or on the day after publication, whichever is later.

(2) amended to read.

Section 44

[2003 Wisconsin Act 126]

A SEC.#. 2003 Wisconsin Act 126, section 45 (1) is amended to read:  
A [2003 Wisconsin Act 126] Section 45

DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBs0388/rdn

MES...:...

P1  
Kim G

X  
I believe that

Senator Stepp:

X  
maybe a

→ SB-

This substitute amendment is drafted according to your instructions, but I think that there ~~are a number of~~ problems. The substitute amendment adds a number of general provisions to SB-428, which is a "local bill" that deals with one subject that is identified in the relating clause. Consequently, it is possible that a Wisconsin court would find that this legislation violates Article IV, Section 18, of the Wisconsin Constitution, which requires that a "private or local" bill ~~must~~ be enacted as single-subject legislation. If so, the ~~SB-428~~ part of the bill cannot validly be enacted as part of this substitute amendment because the substitute amendment encompasses more than one subject.

Under *Milwaukee Brewers Baseball Club v. Wisconsin Dept. of Health and Social Services*, 130 Wis. 2d 79, 115 (1986), "a legislative provision which is specific to any person, place or thing is a private or local law within the meaning of art. IV, sec. 18, unless: 1) the general subject matter of the provision relates to a state responsibility of statewide dimension; and 2) its enactment will have direct and immediate effect on a specific statewide concern or interest". The ~~SB-428~~ part of the substitute amendment is applicable only to TID # five in West Bend. ~~SB-~~

Because it is difficult to predict the potential for and outcome of any court action on this proposal, should it be enacted ~~as part of the budget~~, you may wish to consider introducing the general portions of this proposal as a separate bill.

X  
Another problem I see is that because of the amendment of s. 66.1105 (6) (a) 4. by the substitute amendment, there doesn't seem to be any time period during which DOR may allocate tax increments to industrial TIDs that are created after September 30, 1995 and before October 1, 2004.

X  
Finally, you may want to have the Department of Revenue review this substitute amendment especially the initial applicability and effective date provisions.

m dash

Marc E. Shovers  
Senior Legislative Attorney  
Phone: (608) 266-0129  
E-mail: marc.shovers@legis.state.wi.us

Please review the initial applicability and effective date

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBs0388/P1dn  
MES:kmg:rs

February 25, 2004

Senator Stepp:

I believe that this substitute amendment is drafted according to your instructions, but I think that there may be a problem. The substitute amendment adds a number of general provisions to SB-428, which is a "local bill" that deals with one subject that is identified in the relating clause. Consequently, it is possible that a Wisconsin court would find that this legislation violates article IV, section 18, of the Wisconsin Constitution, which requires that a "private or local" bill be enacted as single-subject legislation. If so, the SB-428 part of the bill cannot validly be enacted as part of this substitute amendment because the substitute amendment encompasses more than one subject.

Under *Milwaukee Brewers Baseball Club v. Wisconsin Dept. of Health and Social Services*, 130 Wis. 2d 79, 115 (1986), "a legislative provision which is specific to any person, place or thing is a private or local law within the meaning of art. IV, sec. 18, unless: 1) the general subject matter of the provision relates to a state responsibility of statewide dimension; and 2) its enactment will have direct and immediate effect on a specific statewide concern or interest". The SB-428 part of the substitute amendment is applicable only to TID # five in West Bend.

Because it is difficult to predict the potential for and outcome of any court action on this proposal, should it be enacted, you may wish to consider introducing the general portions of this proposal as a separate bill.

You may want to have the Department of Revenue review this substitute amendment — especially the initial applicability and effective date provisions.

Marc E. Shovers  
Senior Legislative Attorney  
Phone: (608) 266-0129  
E-mail: marc.shovers@legis.state.wi.us



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRBs0388/P1  
MES:kmg:rs

R-MR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~  
**SENATE SUBSTITUTE AMENDMENT ,  
TO 2003 SENATE BILL 428**

Now

D-NOTE

WANTED  
11/3/03

Regen

1 AN ACT *to amend* 66.1105 (6) (a) 4. and 66.1105 (7) (am) 1.; *to create* 66.1105  
2 (6) (a) 4m., 66.1105 (6) (a) 9., 66.1105 (6) (am) 2. d., 66.1105 (7) (ak) and 66.1105  
3 (7) (at) of the statutes; and *to affect* 2003 Wisconsin Act 126, section 44 (2) and  
4 2003 Wisconsin Act 126, section 45 (1); **relating to:** the lifespan of tax  
5 incremental financing districts <sup>and</sup> the period during which tax increments may  
6 be allocated to such districts, ~~and extending the expenditure period and the life~~  
7 ~~of a tax incremental district in West Bend.~~

***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 conservation, suitable for industrial sites, or suitable for mixed-use development. 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 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.

Under 2003 Wisconsin Act 126, certain provisions of which take effect on October 1, 2004, and which first apply to a TID that is created on October 1, 2004, DOR may allocate tax increments for 23 years if the TID is created after September 30, 1995. Under this substitute amendment, DOR may allocate tax increments for 27 years if the TID is created after September 30, 1995, and before October 1, 2004, and if the TID is a "blighted area" or a "rehabilitation or conservation" TID or for 23 years if the TID is an "industrial site" TID.

Act 126 also extends from 23 years to 27 years the maximum life of a blighted area or rehabilitation or conservation TID, and reduces from 23 years to 20 years the maximum life of an "industrial site" or "mixed-use development" TID. In the 18th year of an industrial or mixed-use TID's life, however, the creating city or village may ask the joint review board to extend the TID's life for five years. The city or village may provide the joint review board with an independent audit that demonstrates that the district is unable to pay off its costs within its original 20-year life span. The joint review board may choose to approve or deny a request to extend a TID's life for five years but, if accompanied by an audit, the board must approve a request for a five-year extension.

Under this substitute amendment, subject to one exception, a blighted area or a rehabilitation or conservation TID that is created after September 30, 1995, and before October 1, 2004, must terminate, ~~16 years after the last expenditure in the project plan is made~~, <sup>27 years after its creation.</sup> except that in no case may the total number of years during

*If the TID's life is extended for <sup>five</sup> years, <sup>This substitute amendment</sup> authorizes DOR to allocate tax increments ~~for~~ <sup>to</sup> the district for 25 years after its creation.*

which expenditures are made and the total number of years during which tax increments are allocated exceed 27 years. Under the exception created in the substitute amendment, the city that created the TID may request that the joint review board extend the TID's life for five years. The city or village may provide the joint review board with an independent audit that demonstrates that the district is unable to pay off its costs within its original 27-year life span. The joint review board may choose to approve or deny a request to extend a TID's life for five years but, if accompanied by an audit, the board must approve a request for a five-year extension. If such an extension is granted, the substitute amendment authorizes DOR to allocate tax increments for 32 years.

~~Currently, with regard to TID number five in West Bend, expenditures may be made no later than seven years after the TID was created, or through December 31, 2005. That TID must terminate no later than 20 years after the last expenditure is made.~~

~~Under this substitute amendment, the expenditure period for TID number five in West Bend is extended to 15 years after the TID was created, or through December 31, 2013. The substitute amendment also authorizes DOR to allocate tax increments to this TID for 31 years after the TID was created, and requires the TID to terminate no later than 16 years after the last expenditure identified in the project plan is made.~~

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

1           SECTION 1. 66.1105 (6) (a) 4. of the statutes, as affected by 2003 Wisconsin Act  
2           126, is amended to read:

3           66.1105 (6) (a) 4. ~~Twenty-three~~ Twenty-seven years after the tax incremental  
4           district is created if the district is created after September 30, 1995, and before  
5           October 1, 2004, and if the district is a district about which a finding is made under  
6           sub. (4) (gm) 4. a. that not less than 50 percent, by area, of the real property within  
7           the district is a blighted area or an area in need of rehabilitation or conservation  
8           work, except that if the life of the district is extended under sub. (7) (am) 1., an  
9           allocation under this subdivision may be made 32 years after such a district is  
10          created.

11          SECTION 2. 66.1105 (6) (a) 4m. of the statutes is created to read:

1 and (8) (title), (a), (c), and (d) of the statutes, the renumbering and amendment of  
2 section 66.1105 (2) (f) 3. (as it relates to mixed-use development tax incremental  
3 districts) of the statutes, and the creation of 66.1105 (2) (f) 3. a. to c. of the statutes  
4 first applies to a tax incremental district that is created on October 1, 2004.

5 SECTION 9. 2003 Wisconsin Act 126, section 45 (1) is amended to read:

6 [2003 Wisconsin Act 126] Section 45 (1) The treatment of section 66.1105 (2)  
7 (f) 1. i. and 2. d., (3) (g), (4) (e), (gm) 1., 4. a. and c., and 6., and (h) 2., (4m) (a), (am),  
8 (b) 2., 2m., and 4., (5) (a), (b), (c), and (ce), (6) (a) 4., 7., and 8. and (am) 1., (7) ~~(am)~~,  
9 and (ar), and (8) (title), (c), and (d) of the statutes takes effect on October 1, 2004, or  
10 on the day after publication, whichever is later.

11 SECTION 10. Initial applicability.

12 (1) This act first applies to a tax incremental district that is in existence on the  
13 effective date of this subsection or that is created on the effective date of this  
14 subsection.

15 SECTION 11. Effective date.

16 This act takes effect on March 6, 2004, or on the day after publication,  
17 whichever is later,

*except as follows:*  
*of tax increments by the department of*  
*revenue is similar to the subject and*  
*purpose of SB-428.*  
*(END)*

*Six copy*

*# (#) The treatment of*  
*section 66.1105 (6) (a)*  
*of the*  
*Senator Stepp:*

*O-NOTE*

*MZJ*

*takes effect on*  
*October 1, 2004.*  
*As I discussed with Scott Manley of your*  
*staff, there is a slight possibility that*  
*this substitute amendment could be subject*  
*to a germaneness challenge under senate rule*  
*50 (b) (b) as a proposal whose more general subject*  
*is different from that of the*  
*original proposal or intended to accomplish a different (broader)*  
*purpose than the original proposal. It could also be argued that this*  
*substitute amendment is germane because its subject and purpose*  
*the lifespan of a tax incremental district and the allocation period.*

1 66.1105 (6) (a) 4m. Twenty-three years after the tax incremental district is  
 2 created if the district is created after September 30, 1995, and before October 1, 2004,  
 3 and if the district is a district about which a finding is made under sub. (4) (gm) 4.  
 4 a. that not less than 50 percent, by area, of the real property within the district is  
 5 suitable for industrial sites.

INS 4-5

6 ~~SECTION 3. 66.1105 (6) (a) 9. of the statutes is created to read:~~

7 ~~66.1105 (6) (a) 9. Thirty-one years after the tax incremental district is created  
 8 if the district is created after September 30, 1995, and the expenditure period is  
 9 specified in par. (am) 2. d.~~

10 ~~SECTION 4. 66.1105 (6) (am) 2. d. of the statutes is created to read:~~

11 ~~66.1105 (6) (am) 2. d. Expenditures for project costs for Tax Incremental  
 12 District Number Five in a city that has a population of at least 26,000, that was  
 13 incorporated in 1885, and that is located in a county that was created in 1836. Such  
 14 expenditures may be made no later than 15 years after the tax incremental district  
 15 is created, and may be made through December 31, 2013.~~

16 SECTION 5. 66.1105 (7) (ak) of the statutes is created to read:

17 ~~66.1105 (7) (ak) Except as provided in par. (am) 1., for a district about which  
 18 a finding is made under sub. (4) (gm) 4. a. that not less than 50 percent, by area, of  
 19 the real property within the district is a blighted area or an area in need of  
 20 rehabilitation or conservation work, 16 years after the last expenditure identified in~~

21 ~~the project plan is made if the district to which the plan relates is created after  
 22 September 30, 1995, and before October 1, 2004, except that in no case may the total  
 23 number of years during which expenditures are made under sub. (6) (a) plus the  
 24 total number of years during which tax increments are allocated under sub. (6) (a)  
 25 exceed 27 years.~~

27 years after the district is created.  
 16 years after the last expenditure identified in

INS 4-25

1 SECTION 6. 66.1105 (7) (am) 1. of the statutes, as affected by 2003 Wisconsin  
2 Act 126, is amended to read:

3 66.1105 (7) (am) 1. For a district about which a finding is made under sub. (4)  
4 (gm) 4. a. that not less than 50 percent, by area, of the real property within the district  
5 is a blighted area or in need of rehabilitation or conservation work, 27 years after the  
6 district is created described under par. (ak)<sup>1.</sup> the time period specified in that  
7 ~~paragraph~~ <sup>subdivision</sup>, except that the city that created the district may request that the joint  
8 review board extend the life of the district for an additional 5 years. Along with its  
9 request for a 5-year extension, the city may provide the joint review board with an  
10 independent audit that demonstrates that the district is unable to pay off its project  
11 costs within the 27 years after the district is created. The joint review board may  
12 deny or approve a request to extend the life of the district for 5 years if the request  
13 does not include the independent audit, and the board shall approve a request to  
14 extend the life of the district for 5 years if the request includes the audit. If the joint  
15 review board extends the district's life, the district shall terminate at the earlier of  
16 the end of the extended period or the period specified in par. (a).

17 SECTION 7. 66.1105 (7) (at) of the statutes is created to read:

18 66.1105 (7) (at) Notwithstanding par. (ak) or (am), 16 years after the last  
19 expenditure identified in the project plan is made if the district to which the plan  
20 relates is created after September 30, 1995, and the expenditure period is specified  
21 in sub. (6) (am) 2. d.

22 SECTION 8. 2003 Wisconsin Act 126, section 44 (2) is amended to read:

23 [2003 Wisconsin Act 126] Sectio 44 (2) Except as provided in subsection (3), the  
24 treatment of section 66.1105 (2) (f) 1. i. and 2. d., (4) (e) and (gm) 1. and 6., (4m) (a),  
25 (ae), (am), and (b) 2., 2m., and 4., (5) (a), (b), (c), and (ce), (6) (a) 4., 7., and 8., ~~(7) (am)~~

~~(7) (am)~~  
Plain

FNS 4-5

Sec #, Am; 66.1105 (6) (a) 7, as <sup>Created</sup> affected by 2003 Wisconsin Act 126,

except that if the life of the district is extended under sub. (7) (am) 2, an allocation under this subdivision may be made 25 years after such a district is created.

305

- 5 -

2003 Wisconsin Act 126

than property described in par. (b) of the existing district under sub. (4) (a) 2., 3., 4., or 5. does not apply to the project plan, under par. (b), as of the effective date of the amendment becomes effective between January 1 and the next subsequent January 1, as of the next subsequent January 1 and if the effective date of the amendment becomes effective between January 1 and the next subsequent January 1 of any year, the redetermination date. The With regard to a district as been added, the tax increment under this paragraph is effective only if it exceeds the original value determined under par. (b). 66.1105 (5) (ce) of the statutes, as amended by Wisconsin Act 34, is amended to read: when the city adopts an amendment, to sub. (4), or 5. applies, the tax increment shall be redetermined, either the tax incremental base the value of the district is subtracted from the existing tax incremental base the value of the district and the value of real property than property described in par. (b) of the existing district under sub. (4) (a) 2. the January 1 next preceding the effective date of the amendment if the amendment becomes effective between January 2 and September 30, or January 1 if the amendment becomes effective between October 1 and December 31, or if the amendment is January 1 of any year, the redetermination shall be made on that date.

SECTION 27. 66.1105 (6) (a) 4. of the statutes, as affected by 2003 Wisconsin Acts 34 and 46, is amended to read:

66.1105 (6) (a) 4. Twenty-three years after the tax incremental district is created if the district is created after September 30, 1995, and before October 1, 2004.

SECTION 28. 66.1105 (6) (a) 7. of the statutes is amended to read:

66.1105 (6) (a) 7. Twenty years after the tax incremental district is created if the district is created on or after the effective date of this subdivision ... [revisor inserts date], and if the district is at least predominantly suitable for mixed-use development or industrial sites under sub. (4) (gm) 6.

October 1, 2004

SECTION 29. 66.1105 (6) (a) 8. of the statutes is amended to read:

66.1105 (6) (a) 8. Twenty-seven years after the tax incremental district is created if the district is created on or after the effective date of this subdivision ... [revisor inserts date], and if the district is a district specified under sub. (4) (gm) 6. other than a district specified under sub. (4) (gm) 7.

SECTION 30. 66.1105 (6) (am) 1. of the statutes, as affected by 2003 Wisconsin Act 34, is repealed and recreated to read:

66.1105 (6) (am) 1. Except as otherwise provided in this paragraph, no expenditure may be made later than 5 years before the unextended termination date of a tax incremental district under sub. (7) (am).

SECTION 31. 66.1105 (6) (c) of the statutes is amended to read:

66.1105 (6) (c) Except for tax increments allocated under par. (d), (dm) or (e), or (f) all tax increments

XNS 4-25 ✓

Section #. 66.1105 (7) (am) of the statutes is amended to read:

¶ 2. For a district that is created after <sup>September 30, 1995,</sup> and that is not subject to subd. 1., 23 years after the district was created, and for a district that is created before October 1, 1995, 27 years after the district is created, except that in no case may the total number of years during which expenditures are made under sub. (6) (a) plus the total number of years during which tax increments are allocated under sub. (6) (a) exceed 27 years.

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).

and that is not subject to subd. 1., 23 years after the district was created, and for a district that is created before October 1, 1995, 27 years after the district is created, except that in no case may the total number of years during which expenditures are made under sub. (6) (a) plus the total number of years during which tax increments are allocated under sub. (6) (a) exceed 27 years.

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBs0388/1dn  
MES:kmg:jf

February 26, 2004

Senator Stepp:

As I discussed with Scott Manley of your staff, there is a slight possibility that this substitute amendment could be subject to a germaneness challenge under senate rule 50 (6) (b) as a proposal whose more general subject is different from that of the original proposal, or intended to accomplish a different (broader) purpose than the original proposal.

It could also be argued that this substitute amendment is germane because its subject and purpose, the lifespan of a tax incremental district and the allocation period of tax increments by the department of revenue, is similar to the subject and purpose of SB-428.

Marc E. Shovers  
Senior Legislative Attorney  
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E-mail: [marc.shovers@legis.state.wi.us](mailto:marc.shovers@legis.state.wi.us)

(This A.M.)

CCC

0350388/1

S. Sub. Amndt. 1,  
to SB-428

#. Page 5, line 22: after  
"effect" insert "on March  
6, 2004, or".

#. Page 5, line 23: before "except" insert "whichever is later,".

NOTE: These changes reflect  
the content of the drafting  
record.

KMG:

1 and (8) (title), (a), (c), and (d) of the statutes, the renumbering and amendment of  
2 section 66.1105 (2) (f) 3. (as it relates to mixed-use development tax incremental  
3 districts) of the statutes, and the creation of 66.1105 (2) (f) 3. a. to c. of the statutes  
4 first applies to a tax incremental district that is created on October 1, 2004.

5 SECTION 9. 2003 Wisconsin Act 126, section 45 (1) is amended to read:

6 [2003 Wisconsin Act 126] Section 45 (1) The treatment of section 66.1105 (2)  
7 (f) 1. i. and 2. d., (3) (g), (4) (e), (gm) 1., 4. a. and c., and 6., and (h) 2., (4m) (a), (am),  
8 (b) 2., 2m., and 4., (5) (a), (b), (c), and (ce), (6) (a) 4., 7., and 8. and (am) 1., (7) (am),  
9 and (ar), and (8) (title), (c), and (d) of the statutes takes effect on October 1, 2004, or  
10 on the day after publication, whichever is later.

11 SECTION 10. Initial applicability.

12 (1) This act first applies to a tax incremental district that is in existence on the  
13 effective date of this subsection or that is created on the effective date of this  
14 subsection.

15 SECTION 11. Effective date.

16 This act takes effect on March 6, 2004, or on the day after publication,  
17 whichever is later, except as follows:

18 of tax increments by the department of  
revenue is similar to the subject and  
purpose of SB-478,  
(END)

St. Stepp

CCC

O-NOTE

MZJ

# (#) The treatment of  
section 66.1105 (6) (a)  
of the Senator Stepp:  
statutes  
takes effect  
on  
October  
1, 2004.

As I discussed with Scott Manley of your  
staff, there is a slight possibility that  
this substitute amendment could be subject  
to a germaneness challenge under senate rule  
50 (6) (b) as a proposal whose more general subject  
is different from that of the  
original proposal, or intended to accomplish a different purpose  
than the original proposal. It could also be argued that the  
substitute amendment is germane because its subject and purpose  
the lifespan of a tax incremental district and the allocation period

1 extend the life of the district for 5 years if the request includes the audit. If the joint  
2 review board extends the district's life, the district shall terminate at the earlier of  
3 the end of the extended period or the period specified in par. (a).

4 **SECTION 6.** 2003 Wisconsin Act 126, section 44 (2) is amended to read:

5 [2003 Wisconsin Act 126] Section 44 (2) Except as provided in subsection (3),  
6 the treatment of section 66.1105 (2) (f) 1. i. and 2. d., (4) (e) and (gm) 1. and 6., (4m)  
7 (a), (ae), (am), and (b) 2., 2m., and 4., (5) (a), (b), (c), and (ce), (6) (a) 4., 7., and 8., (7)  
8 (am), and (8) (title), (a), (c), and (d) of the statutes, the renumbering and amendment  
9 of section 66.1105 (2) (f) 3. (as it relates to mixed-use development tax incremental  
10 districts) of the statutes, and the creation of 66.1105 (2) (f) 3. a. to c. of the statutes  
11 first applies to a tax incremental district that is created on October 1, 2004.

12 **SECTION 7.** 2003 Wisconsin Act 126, section 45 (1) is amended to read:

13 [2003 Wisconsin Act 126] Section 45 (1) The treatment of section 66.1105 (2)  
14 (f) 1. i. and 2. d., (3) (g), (4) (e), (gm) 1., 4. a. and c., and 6., and (h) 2., (4m) (a), (am),  
15 (b) 2., 2m., and 4., (5) (a), (b), (c), and (ce), (6) (a) 4., 7., and 8. and (am) 1., (7) ~~(am)~~,  
16 and (ar), and (8) (title), (c), and (d) of the statutes takes effect on October 1, 2004, or  
17 on the day after publication, whichever is later.

18 **SECTION 8. Initial applicability.**

19 (1) This act first applies to a tax incremental district that is in existence on the  
20 effective date of this subsection or that is created on the effective date of this  
21 subsection.

22 **SECTION 9. Effective dates.** This act takes effect on the day after publication,

23 except as follows:

*ccc*  
whichever is  
later,

*ccc*  
on March  
6, 2004, or



State of Wisconsin  
2003-2004 LEGISLATURE

**CORRECTIONS IN:**

**SENATE SUBSTITUTE AMENDMENT 1,  
TO 2003 SENATE BILL 428**

Prepared by the Legislative Reference Bureau  
(February 27, 2004)

1. Page 5, line 22: after "effect" insert "on March 6, 2004, or".
2. Page 5, line 23: before "except" insert "whichever is later,".

NOTE: These changes reflect the content of the drafting record.

(END)