



State of Wisconsin
2003 - 2004 LEGISLATURE

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RMR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~
SENATE SUBSTITUTE AMENDMENT ,
TO 2003 ASSEMBLY BILL 437

stays

SAW

inserts

*WANTED
Wed. - late a.m.
if poss.*

repeal

1 **AN ACT to create** 60.85 of the statutes; and **to affect** Laws of 1975, chapter 105,
2 section 1 (1) and (2); **relating to:** granting towns limited authority to create tax
3 incremental financing districts.

Analysis by the Legislative Reference Bureau

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

Also under current law, once a TID has been created, the Department of Revenue (DOR) calculates the "tax increment base value" of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the

base value, a "value increment" is created. That portion of taxes collected on the value increment 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.

This substitute amendment authorizes towns to use tax incremental financing (TIF) for limited purposes. The town TIF authority that is created in this substitute amendment is based on current TIF law that applies to cities and villages, but is more limited in several respects, and imposes additional requirements on towns.

Under the substitute amendment, a town may use the town TIF law to expend money or incur monetary obligations, other than tax incremental bonds and notes, for a limited number of projects related to tourism, agriculture, manufacturing, or forestry. The allowable projects, and project costs, are limited to projects based on industrial classifications specified in the North American Industry Classification System published by the U.S. Office of Management and Budget. A town may also use the TIF law for residential projects, but only to the extent that the residential project has a necessary and incidental relationship to tourism, agriculture, manufacturing, or forestry. Under the bill, towns may also use the TIF law for retail projects to the extent that the retail development is related to the retail sale of a product that is produced due to an agriculture, manufacturing, or forestry project.

The town TIF law is more limited than the city and village TIF law and contains a number of other differences from current TIF law, including the following:

1. The expenditure period is 5 years, and the maximum life of a town TID is 16 years.
2. A project plan may be amended only once during the TID's first 5 years of existence. Such an amendment may extend the expenditure period for an additional 2 years, but the amendment does not extend the maximum life of a town TID.
3. A town TIF proposal must contain findings that at least 75 percent of the real property within the district is to be used for one of the specified allowable projects.
4. DOR may impose on the town a \$1,000 fee to determine, or redetermine, a TID's tax incremental base.
5. A town TID is subject to additional reporting requirements when the TID is terminated and must also report to DOR on annual expenditures.
6. Certain owners of taxable property located within or near a town that has created a TID may request that DOR review whether the TID is expending money

as well as cities and villages that border the town and overlying taxing districts

or incurring debt for an allowable project. If DOR grants the request for a review, the secretary of revenue, or the secretary's designee, must hold a hearing and make a determination as to whether the town is in compliance with the law or has made expenditures or incurred debts that are not allowed. If the secretary determines that the town has acted improperly, the secretary may order that all ineligible costs be paid back or that the TID be terminated.

7. If a city or village annexes town territory that includes a TID, the city or village must pay the town the eligible costs that are attributable to the annexed territory.

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

1 **SECTION 1.** 60.85 of the statutes is created to read:

2 **60.85 Town tax increment law. (1) DEFINITIONS.** In this section, unless a
3 different intent clearly appears from the context:

4 (a) "Agricultural project" means agricultural activities classified in the North
5 American Industry Classification System, 1997 edition, published by the U.S. office
6 of management and budget, under the following industry numbers:

7 1. 111 – Crop production

8 2. 112 – Animal production

9 3. 1151 – Support activities for agriculture.

10 4. 1152 – Support activities for animal production.

11 (b) "Environmental pollution" has the meaning given in s. 299.01 (4).

12 (c) "Forestry project" means forestry activities classified in the North American
13 Industry Classification System, 1997 edition, published by the U.S. office of
14 management and budget, under the following industry numbers:

15 1. 113 – Forestry and logging.

16 2. 1153 – Support activities for forestry.

17 (d) "Highway" has the meaning provided in s. 340.01 (22).

1 (e) "Manufacturing project" means manufacturing activities classified in the
2 North American Industry Classification System, 1997 edition, published by the U.S.
3 office of management and budget, under the following industry numbers:

4 1. 3116 – Animal slaughtering and processing.

5 2. 321 – Wood product manufacturing

6 3. 322 – Paper manufacturing.

7 4. 325193 – Ethyl alcohol manufacturing.

8 (f) "Personal property" has the meaning prescribed in s. 70.04.

9 (g) "Planning commission" means a plan commission created under s. 62.23, if
10 the town board exercises zoning authority under s. 60.62 or the town zoning
11 committee under s. 60.61 (4) if the town board is not authorized to exercise village
12 powers.

NOTE: Is this definition of "planning commission" consistent with your intent?

13 (h) 1. "Project costs" means, subject to sub. (2) (b), any expenditures made or
14 estimated to be made or monetary obligations incurred or estimated to be incurred
15 by the town which are listed in a project plan as costs of public works or
16 improvements within a tax incremental district or, to the extent provided in subd.
17 1. j., without the district, plus any incidental costs, diminished by any income, special
18 assessments, or other revenues, including user fees or charges, other than tax
19 increments, received or reasonably expected to be received by the town in connection
20 with the implementation of the plan. Only a proportionate share of the costs
21 permitted under this subdivision may be included as project costs to the extent that
22 they benefit the tax incremental district. To the extent the costs benefit the town
23 outside the tax incremental district, a proportionate share of the cost is not a project
24 cost. "Project costs" include:

1 a. Capital costs including, but not limited to, the actual costs of the construction
2 of public works or improvements, new buildings, structures, and fixtures; the
3 demolition, alteration, remodeling, repair or reconstruction of existing buildings,
4 structures and fixtures other than the demolition of listed properties as defined in
5 s. 44.31 (4); the acquisition of equipment to service the district; the removal or
6 containment of, or the restoration of soil or groundwater affected by, environmental
7 pollution; and the clearing and grading of land.

8 b. Financing costs, including, but not limited to, all interest paid to holders of
9 evidences of indebtedness issued to pay for project costs and any premium paid over
10 the principal amount of the obligations because of the redemption of the obligations
11 prior to maturity.

12 c. Real property assembly costs, meaning any deficit incurred resulting from
13 the sale or lease as lessor by the town of real or personal property within a tax
14 incremental district for consideration which is less than its cost to the town.

15 d. Professional service costs, including, but not limited to, those costs incurred
16 for architectural, planning, engineering, and legal advice and services.

17 e. Imputed administrative costs, including, but not limited to, reasonable
18 charges for the time spent by town employees in connection with the implementation
19 of a project plan.

20 f. Relocation costs, including, but not limited to, those relocation payments
21 made following condemnation under ss. 32.19 and 32.195.

22 g. Organizational costs, including, but not limited to, the costs of conducting
23 environmental impact and other studies and the costs of informing the public with
24 respect to the creation of tax incremental districts and the implementation of project
25 plans.

1 h. Payments made, in the discretion of the town board, which are found to be
2 necessary or convenient to the creation of tax incremental districts or the
3 implementation of project plans.

4 i. That portion of costs related to the construction or alteration of sewerage
5 treatment plants, water treatment plants or other environmental protection devices,
6 storm or sanitary sewer lines, water lines, or amenities on streets or the rebuilding
7 or expansion of streets the construction, alteration, rebuilding or expansion of which
8 is necessitated by the project plan for a district and is within the district.

9 j. That portion of costs related to the construction or alteration of sewerage
10 treatment plants, water treatment plants or other environmental protection devices,
11 storm or sanitary sewer lines, water lines, or amenities on streets outside the district
12 if the construction, alteration, rebuilding or expansion is necessitated by the project
13 plan for a district, and if at the time the construction, alteration, rebuilding or
14 expansion begins there are improvements of the kinds named in this subdivision on
15 the land outside the district in respect to which the costs are to be incurred.

16 k. Costs for the removal, or containment, of lead contamination in buildings or
17 infrastructure if the town declares that such lead contamination is a public health
18 concern.

~~***NOTE: I am not sure towns have this authority. Do you want to remove this
subd. 1. k.?~~ NO-ANSWER

19 L. A fee imposed by the department of revenue under sub. (5) (a).

20 2. Notwithstanding subd. 1., none of the following may be included as project
21 costs for any tax incremental district:

22 a. The cost of constructing or expanding administrative buildings, police and
23 fire buildings, libraries, community and recreational buildings and school buildings.

1 b. The cost of constructing or expanding any facility, if the town generally
2 finances similar facilities only with utility user fees.

3 c. General government operating expenses, unrelated to the planning or
4 development of a tax incremental district.

5 d. Cash grants made by the town to owners, lessees, or developers of land that
6 is located within the tax incremental district.

7 (i) “Project plan” means the properly approved plan for the development or
8 redevelopment of a tax incremental district, including all properly approved
9 amendments thereto.

10 (j) “Real property” has the meaning prescribed in s. 70.03.

11 (k) “Residential development” means sleeping quarters, within a proposed tax
12 incremental district, for employees who work for an employer engaged in a project
13 that is allowed under sub. (2) (b) 1. to 4. but does not include hotels, motels, or general
14 residential housing development within a proposed tax incremental district.

15 (L) “Tax increment” means that amount obtained by multiplying the total
16 county, town, school, and other local general property taxes levied on all taxable
17 property within a tax incremental district in a year by a fraction having as a
18 numerator the value increment for that year in the district and as a denominator that
19 year’s equalized value of all taxable property in the district. In any year, a tax
20 increment is “positive” if the value increment is positive; it is “negative” if the value
21 increment is negative.

22 (m) “Tax incremental base” means the aggregate value, as equalized by the
23 department of revenue, of all taxable property located within a tax incremental
24 district on the date as of which the district is created, determined as provided in sub.
25 (5) (b).

1 (n) “Tax incremental district” means a contiguous geographic area within a
2 town defined and created by resolution of the town board, consisting solely of whole
3 units of property as are assessed for general property tax purposes, other than
4 railroad rights-of-way, rivers or highways. Railroad rights-of-way, rivers or
5 highways may be included in a tax incremental district only if they are continuously
6 bounded on either side, or on both sides, by whole units of property as are assessed
7 for general property tax purposes which are in the tax incremental district. “Tax
8 incremental district” does not include any area identified as a wetland on a map
9 under s. 23.32.

10 (o) “Taxable property” means all real and personal taxable property located in
11 a tax incremental district.

12 (p) “Tourism project” means activities that involve retailers classified in the
13 North American Industry Classification System, 1997 edition, published by the U.S.
14 office of management and budget, under the following industry numbers:

- 15 1. 721214 — Recreational and vacation camps.
- 16 2. 721211 — Recreational vehicle parks and campgrounds.
- 17 3. 711212 — Racetracks.
- 18 4. Dairy product stores included in 445299.
- 19 5. Public golf courses included in 71391.

****NOTE: Because the proposed language relating to horse show managers doesn't
seem to flow with the definition of “tourism project,” I have not included it in this version
of the draft. *delete*

20 (q) “Value increment” means the equalized value of all taxable property in a tax
21 incremental district in any year minus the tax incremental base. In any year “value
22 increment” is positive if the tax incremental base is less than the aggregate value of

1 taxable property as equalized by the department of revenue; it is negative if that base
2 exceeds that aggregate value.

3 (2) POWERS OF TOWNS. (a) Subject to par. (b) and except as provided under par.
4 (c) and in addition to any other powers conferred by law, a town may exercise any
5 powers necessary and convenient to carry out the purposes of this section, including
6 the power to:

7 1. Create tax incremental districts and define the boundaries of the districts.

8 2. Cause project plans to be prepared, approve the plans, and implement the
9 provisions and effectuate the purposes of the plans.

10 3. Deposit moneys into the special fund of any tax incremental district.

11 4. Enter into any contracts or agreements, including agreements with
12 bondholders, determined by the town board to be necessary or convenient to
13 implement the provisions and effectuate the purposes of project plans. The contracts
14 or agreements may include conditions, restrictions, or covenants which either run
15 with the land or which otherwise regulate the use of land.

16 5. Designate, by ordinance or resolution, the town industrial development
17 agency, as agent of the town, to perform all acts under this section.

18 (b) The only projects for which a town may expend money or incur monetary
19 obligations as a project cost are the following:

20 1. Agricultural projects.

21 2. Forestry projects.

22 3. Manufacturing projects.

23 4. Tourism projects.

24 5. Residential development, but only to the extent that it has a necessary and
25 incidental relationship to a project listed in subds. 1. to 4.

1 6. Retail development that is limited to the retail sale of products that are
2 produced due to a project that is developed under subd. 1., 2. or 3.

3 (c) No town may exercise any power under this subsection within the
4 extraterritorial zoning jurisdiction of a city or village, as that term is defined in s.
5 62.23 (7a) (a), unless the city's or village's governing body adopts a resolution which
6 approves the town's exercise of power under this subsection within such an
7 extraterritorial zoning jurisdiction.

8 (3) ~~3~~ CREATION OF TAX INCREMENTAL DISTRICTS AND APPROVAL OF PROJECT PLANS. In
9 order to implement the provisions of this section, the following steps and plans are
10 required:

11 (a) Holding of a public hearing by the planning commission at which interested
12 parties are afforded a reasonable opportunity to express their views on the proposed
13 creation of a tax incremental district and the proposed boundaries of the district.
14 Notice of the hearing shall be published as a class 2 notice, under ch. 985. Before
15 publication, a copy of the notice shall be sent by first class mail to the chief executive
16 officer or administrator of all local governmental entities having the power to levy
17 taxes on property located within the proposed district and to the school board of any
18 school district which includes property located within the proposed district. For a
19 county with no chief executive officer or administrator, notice shall be sent to the
20 county board chairperson.

21 (b) Designation by the planning commission of the boundaries of a tax
22 incremental district recommended by it and submission of the recommendation to
23 the town board.

24 (c) Identification of the specific property to be included in the proposed tax
25 incremental district. Owners of the property identified shall be notified of the

1 proposed finding and the date of the hearing to be held under par. (e) at least 15 days
2 prior to the date of the hearing.

3 (d) Preparation and adoption by the planning commission of a proposed project
4 plan for each tax incremental district.

5 (e) At least 30 days before adopting a resolution under par. (h), holding of a
6 public hearing by the planning commission at which interested parties are afforded
7 a reasonable opportunity to express their views on the proposed project plan. The
8 hearing may be held in conjunction with the hearing provided for in par. (a). Notice
9 of the hearing shall be published as a class 2 notice, under ch. 985. The notice shall
10 include a statement advising that a copy of the proposed project plan will be provided
11 on request. Before publication, a copy of the notice shall be sent by 1st class mail to
12 the chief executive officer or administrator of all local governmental entities having
13 the power to levy taxes on property within the district and to the school board of any
14 school district which includes property located within the proposed district. For a
15 county with no chief executive officer or administrator, notice shall be sent to the
16 county board chairperson.

17 (f) Adoption by the planning commission of a project plan for each tax
18 incremental district and submission of the plan to the town board. The plan shall
19 include a statement listing the kind, number and location of all proposed public
20 works or improvements within the district or, to the extent provided in sub. (1) (h)
21 1. j., outside the district, an economic feasibility study, a detailed list of estimated
22 project costs, and a description of the methods of financing all estimated project costs
23 and the time when the related costs or monetary obligations are to be incurred. The
24 plan shall also include a map showing existing uses and conditions of real property
25 in the district; a map showing proposed improvements and uses in the district;

1 proposed changes of zoning ordinances, master plan, if any, map, building codes and
2 town ordinances; a list of estimated nonproject costs; and a statement of the proposed
3 method for the relocation of any persons to be displaced. The plan shall indicate how
4 creation of the tax incremental district promotes the orderly development of the
5 town. The town shall include in the plan an opinion of the town attorney or of an
6 attorney retained by the town advising whether the plan is complete and complies
7 with this section.

8 (g) Approval by the town board of a project plan prior to or concurrent with the
9 adoption of a resolution under par. (h). The approval shall be by resolution which
10 contains findings that the plan is feasible and in conformity with the master plan,
11 if any, of the town.

12 (h) Adoption by the town board of a resolution which:

13 1. Describes the boundaries, which may, but need not, be the same as those
14 recommended by the planning commission, of a tax incremental district with
15 sufficient definiteness to identify with ordinary and reasonable certainty the
16 territory included in the district. The boundaries shall include only those whole
17 units of property as are assessed for general property tax purposes.

18 2. Creates the district as of January 1 of the same calendar year for a resolution
19 adopted before October 1 or as of January 1 of the next subsequent calendar year for
20 a resolution adopted after September 30.

21 3. Assigns a name to the district for identification purposes. The first district
22 created shall be known as "Tax Incremental District Number One, Town of in
23 County". Each subsequently created district shall be assigned the next consecutive
24 number.

1 4. Declares the district to be either an agricultural project district, forestry
2 project district, manufacturing project district, or tourism project district, and
3 identifies the North American Industry Classification System industry number of
4 each activity under each project for which project costs are to be expended.

5 5. Contains all of the following findings:

6 a. That not less than 75 percent, by area, of the real property within the district
7 is to be used for projects of a single one of the project types listed under sub. (2) (b)
8 1. to 4. and in accordance with the declaration under subd. 4.

9 b. That the improvement of the area is likely to enhance significantly the value
10 of substantially all of the other real property in the district. It is not necessary to
11 identify the specific parcels meeting the criteria.

12 c. That the project costs of the district are limited to those specified under sub.
13 (2) (b) and relate directly to promoting agriculture, forestry, manufacturing, or
14 tourism development.

****NOTE: Are you concerned that the use of the word "promoting" in this subd. 5.
c. might be too limiting?

15 d. That either the equalized value of taxable property of the district plus all
16 existing districts does not exceed 7 percent of the total equalized value of taxable
17 property within the town or the equalized value of taxable property of the district
18 plus the value increment of all existing districts within the town does not exceed 5
19 percent of the total equalized value of taxable property within the town.

20 6. Confirms that any real property within the district that is intended to be used
21 for a manufacturing project is zoned for industrial use and will remain zoned for
22 industrial use for the life of the tax incremental district.

1 (i) Review by a joint review board, acting under sub. (4), that results in its
2 approval of the resolution under par. (h).

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

18 2. Not more than once during the 5 years after the tax incremental district is
19 created, the planning commission may adopt an amendment to a project plan under
20 subd. 1. to modify the district's boundaries by adding territory to the district that is
21 contiguous to the district and that is served by public works or improvements that
22 were created as part of the district's project plan. Expenditures for project costs that
23 are incurred because of an amendment to a project plan to which this subdivision
24 applies may be made for not more than 2 years after the date on which the town board
25 adopts a resolution amending the project plan.

1 (k) The town board shall provide the joint review board with the following
2 information and projections:

3 1. The projects included in the district and the specific project costs, the total
4 dollar amount of these project costs to be paid with the tax increments, and the
5 amount of tax increments to be generated over the life of the tax incremental district.

6 2. The amount of the value increment when the project costs in subd. 1. are paid
7 in full and the tax incremental district is terminated.

8 3. The reasons why the project costs in subd. 1. may not or should not be paid
9 by the owners of property that benefits by improvements within the tax incremental
10 district.

11 4. The share of the projected tax increments in subd. 1. estimated to be paid by
12 the owners of taxable property in each of the taxing jurisdictions overlying the tax
13 incremental district.

14 5. The benefits that the owners of taxable property in the overlying taxing
15 jurisdictions will receive to compensate them for their share of the projected tax
16 increments in subd. 4.

17 (L) Calculation by the local assessor of the value of all tax-exempt town-owned
18 property, except property described in sub. (5) (c), in the proposed tax incremental
19 district, as of the day of the district's creation. This information shall be sent to the
20 department of revenue for inclusion in the tax incremental district's initial tax
21 incremental base under sub. (5) (b).

22 (4) JOINT REVIEW BOARD. (a) 1. Any town that seeks to create a tax incremental
23 district or amend a project plan shall convene a joint review board to review the
24 proposal. Except as provided in subd. 2., ^{and subject to par. (am),} the joint review board shall consist of one
25 representative chosen by the school district that has power to levy taxes on the

1 property within the tax incremental district, one representative chosen by the
2 technical college district that has power to levy taxes on the property within the tax
3 incremental district, one representative chosen by the county that has power to levy
4 taxes on the property within the tax incremental district, one representative chosen
5 by the town and one public member. If more than one school district, more than one
6 union high school district, more than one elementary school district, or more than
7 one technical college district has the power to levy taxes on the property within the
8 tax incremental district, the unit in which is located property of the tax incremental
9 district that has the greatest value shall choose that representative to the joint
10 review board. The public member and the joint review board's chairperson shall be
11 selected by a majority of the other joint review board members before the public
12 hearing under sub. (3) (a) or (j) 1. is held. All joint review board members shall be
13 appointed and the first joint review board meeting held within 14 days after the
14 notice is published under sub. (3) (a) or (j) 1. Additional meetings of the joint review
15 board shall be held upon the call of any member. The town that seeks to create the
16 tax incremental district or to amend its project plan shall provide administrative
17 support for the joint review board. By majority vote, the joint review board may
18 disband following approval or rejection of the proposal.

19 2. If a town seeks to create a tax incremental district that is located in a union
20 high school district, the seat that is described under subd. 1. for the school district
21 representative to the joint review board shall be held by 2 representatives, each of
22 whom has one-half of a vote. One representative shall be chosen by the union high
23 school district that has the power to levy taxes on the property within the tax
24 incremental district and one representative shall be chosen by the elementary school

✓
1 district that has the power to levy taxes on the property within the tax incremental
2 district.

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7-3
3 (b) 1. The joint review board shall review the public record, planning
4 documents and the resolution passed by the town board or planning commission
5 under sub. (3) (h) or (j) 1. As part of its deliberations the joint review board may hold
6 additional hearings on the proposal.

7 2. No tax incremental district may be created and no project plan may be
8 amended unless the joint review board approves the resolution adopted under sub.
9 (3) (h) or (j) 1. by a majority vote not less than 10 days nor more than 30 days after
10 receiving the resolution.

11 3. The joint review board shall submit its decision to the town no later than 7
12 days after the board acts on and reviews the items in subd. 2.

13 (c) 1. The joint review board shall base its decision to approve or deny a proposal
14 on the following criteria:

15 a. Whether the project costs to be expended in the tax incremental district
16 comply with the limitations specified in sub. (2) (b).

17 b. Whether the development expected in the tax incremental district would
18 occur without the use of tax incremental financing.

19 c. Whether the economic benefits of the tax incremental district, as measured
20 by increased employment, business and personal income, and property value, are
21 insufficient to compensate for the cost of the improvements.

22 d. Whether the benefits of the proposal outweigh the anticipated tax
23 increments to be paid by the owners of property in the overlying taxing districts.

24 2. The joint review board shall issue either a written statement that, in its
25 judgment, all of the criteria under subd. 1. have been met or a written explanation

1 describing why any proposal it rejects fails to meet one or more of the criteria
2 specified in subd. 1.

3 (5) DETERMINATION OF TAX INCREMENT AND TAX INCREMENTAL BASE. (a) Subject to
4 sub. (10) (d), upon the creation of a tax incremental district or upon adoption of any
5 amendment subject to par. (d) 1., its tax incremental base shall be determined as soon
6 as reasonably possible. The department of revenue may impose a fee of \$1,000 on
7 a town to determine or redetermine the tax incremental base of a tax incremental
8 district under this subsection.

9 (b) Upon application in writing by the town clerk, in a form prescribed by the
10 department of revenue, the department shall determine according to its best
11 judgment from all sources available to it the full aggregate value of the taxable
12 property and, except as provided in par. (c), of the town-owned property in the tax
13 incremental district. Subject to sub. (10) (d), the department shall certify this
14 aggregate valuation to the town clerk, and the aggregate valuation constitutes the
15 tax incremental base of the tax incremental district. The town clerk shall complete
16 these forms and submit the application on or before December 31 of the year the tax
17 incremental district is created, as defined in sub. (3) (h) 2.

18 (c) The value of real property owned by a town and used for police and fire
19 buildings, administrative buildings, libraries, community and recreational
20 buildings, parks, streets and improvements within any street right-of-way, parking
21 facilities and utilities shall not be included in the tax incremental base established
22 under par. (b).

23 (d) 1. If the town adopts an amendment to the original project plan for any
24 district which includes additional project costs at least part of which will be incurred
25 after the period specified in sub. (6) (b) 1., the tax incremental base for the district

1 shall be redetermined as of the January 1 of the same calendar year for a resolution
 2 adopted before October 1 or as of January 1 of the next subsequent calendar year for
 3 a resolution adopted after September 30. The tax incremental base as redetermined
 4 under this subdivision is effective for the purposes of this section only if it exceeds
 5 the original tax incremental base determined under par. (b).

6 2. If ^{after January 1} a city or village annexes town territory that contains part of a tax
 7 incremental district that is created by the town, the department of revenue shall
 8 redetermine the tax incremental base of the district ~~by~~ subtracting from the tax
 9 incremental base the value of the taxable property that is annexed from the existing
 10 district ^{of the following} as of the ~~next subsequent~~ January 1 if the annexation becomes effective
 11 ~~between January 2 and September 30, as of the next subsequent January 1 if the~~
 12 ~~annexation becomes effective between October 1 and December 31, and if the~~
 13 annexation becomes effective on January 1 of any year, the redetermination ⁽¹⁾ shall be
 14 made as of that date. The tax incremental base as redetermined under this
 15 subdivision is effective for the purposes of this section only if it less than the original
 16 tax incremental base determined under par. (b).

***NOTE: This subdivision is based on AA 1 to AB 437 (LRB a1026/1), and contains language about the effective date of a redetermination of a TID's base. Although such language was not in your instructions, I believe it is necessary. Is this OK?

17 (e) Annually, no later than May 15, the town clerk shall file with the
 18 department of revenue, on a form provided by the department, a list of the
 19 expenditures for the district that were made in the previous year.

***NOTE: Your instructions specified "public expenditures made in the district", but it seems to me that "in" is too limiting and that you're really interested in expenditures that are made "for" the district. Is this OK?

20 (f) The town clerk shall annually, after May 1 but before May 21, by written
 21 notice, inform the department of revenue of any amendment to the project plan

1 which has been adopted. The town clerk shall also give written notice of the adoption
2 of an amendment to the department of revenue within 60 days after its adoption. The
3 department of revenue may prescribe forms to be used by the town clerk when giving
4 notice as required by this paragraph.

5 (g) The department of revenue may not certify the tax incremental base as
6 provided in par. (b) until it determines that each of the procedures and documents
7 required by sub. (3) (a), (b), (h) or (j) and par. (b) has been timely completed and all
8 notices required under sub. (3) (a), (b), (h) or (j) timely given. The facts supporting
9 any document adopted or action taken to comply with sub. (3) (a), (b), (h) or (j) are
10 not subject to review by the department of revenue under this paragraph, except that
11 the department may not certify the tax incremental base as provided in par. (b) until
12 it reviews and approves the findings made under sub. (3) (h) 4. and 5. d.

13 (h) The town assessor shall identify upon the assessment roll returned and
14 examined under s. 70.45 those parcels of property which are within each existing tax
15 incremental district, specifying the name of each district. A similar notation shall
16 appear on the tax roll made by the town clerk under s. 70.65.

17 (i) The department of revenue shall annually give notice to the designated
18 finance officer of all governmental entities having the power to levy taxes on property
19 within each district as to the equalized value of the property and the equalized value
20 of the tax increment base. The notice shall also explain that the tax increment
21 allocated to a town shall be paid to the town as provided under sub. (6) (c) from the
22 taxes collected.

23 **(6) ALLOCATION OF POSITIVE TAX INCREMENTS.** (a) If the joint review board
24 approves the creation of the tax incremental district under sub. (4), positive tax
25 increments with respect to a tax incremental district are allocated to the town which

1 created the district for each year commencing after the date when a project plan is
2 adopted under sub. (3) (g). The department of revenue may not authorize allocation
3 of tax increments until it determines from timely evidence submitted by the town
4 that each of the procedures and documents required under sub. (3) (d) to (f) has been
5 completed and all related notices given in a timely manner. The department of
6 revenue may authorize allocation of tax increments for any tax incremental district
7 only if the town clerk and assessor annually submit to the department all required
8 information on or before the 2nd Monday in June. The facts supporting any
9 document adopted or action taken to comply with sub. (3) (d) to (f) are not subject to
10 review by the department of revenue under this paragraph except as provided under
11 par. (e). After the allocation of tax increments is authorized, the department of
12 revenue shall annually authorize allocation of the tax increment to the town that
13 created the district until the sooner of the following events:

14 1. The department of revenue receives a notice under sub. (10) and the notice
15 has taken effect under sub. (10) (b).

16 2. Sixteen years after the tax incremental district is created.

17 (b) 1. No expenditure may be made for a tax incremental district that is created
18 under this section later than 5 years after the tax incremental district is created.

19 2. The limitations on the period during which expenditures may be made under
20 subd. 1. do not apply to expenditures to pay project costs incurred under ch. 32.

21 3. The limitations on the period during which expenditures may be made under
22 subd. 1. do not apply to expenditures authorized by the adoption of an amendment
23 to the project plan sub. (3) (j), except that in no case may the total number of years
24 during which expenditures are made exceed 7 years.

1 (c) Every officer charged by law to collect and pay over or retain local general
2 property taxes shall, on the settlement dates provided by law, pay over to the town
3 treasurer out of all the taxes which the officer has collected the proportion of the tax
4 increment due the town that the general property taxes collected in the town bears
5 to the total general property taxes levied by the town for all purposes included in the
6 tax roll, exclusive of levies for state trust fund loans, state taxes and state special
7 charges.

8 (d) All tax increments received with respect to a tax incremental district shall,
9 upon receipt by the town treasurer, be deposited into a special fund for that district.
10 The town treasurer may deposit additional moneys into such fund pursuant to an
11 appropriation by the town board. No moneys may be paid out of such fund except to
12 pay project costs with respect to that district, to reimburse the town for such
13 payments, or to satisfy claims of holders of bonds or notes issued with respect to such
14 district. Moneys paid out of the fund to pay project costs with respect to a district may
15 be paid out before or after the district is terminated under sub. (9). Subject to any
16 agreement with bondholders, moneys in the fund may be temporarily invested in the
17 same manner as other town funds if any investment earnings are applied to reduce
18 project costs. After all project costs and all bonds and notes with respect to the
19 district have been paid or the payment thereof provided for, subject to any agreement
20 with bondholders, if there remain in the fund any moneys, they shall be paid over to
21 the treasurer of each county, school district or other tax levying municipality or to
22 the general fund of the town in the amounts that belong to each respectively, having
23 due regard for that portion of the moneys, if any, that represents tax increments not
24 allocated to the town and that portion, if any, that represents voluntary deposits of
25 the town into the fund.

1 (e) 1. Any of the following persons may file a written request with the
 2 department of revenue requesting a review of a tax incremental district created
 3 under this section to determine whether ^{Money expended, or debt incurred, by} the district ^{in the prior year complied} ~~is complying~~ with sub. (2) (b); ^{at the requirement under}

4 a. An owner of taxable property that is located in the town that has created the
 5 district.

6 b. An owner of taxable property that is located in a taxing jurisdiction which
 7 overlies the town in which the district is located.

8 c. An owner of taxable property in a city or village that borders the town in
 9 which the district is located. ^{that} ~~which~~ ^{A taxing jurisdiction which overlies the town in}
 10 ^{which the district is located.} ~~which~~ ^{A city or village that borders the town in which the}
 11 ^{district is located.} ~~district~~

12 2. A written request described under subd. 1. shall be on a form that is
 13 prescribed by the department of revenue, shall contain the grounds on which the
 14 request is based, and shall be filed with the department no later than ~~May 15~~ July 1

***NOTE: It seems to me that "May 15" is too vague. Do you mean that a request
 for review may be filed at any time during a TID's lifetime, as long as it is filed between
 January 1 and May 15 of any particular year?

15 3. The department of revenue may deny any request for review that is made
 16 under this paragraph if the department believes, based on a review of the request,
 17 that insufficient grounds exist to support the alleged noncompliance with sub. (2) (b).
 18 The department shall send written notification of its decision to the person who made
 19 the request for review and to the town.

20 4. If the department of revenue grants a request for review that is made under
 21 this paragraph, it shall hold a hearing and it shall send written notification of the
 22 hearing to the clerk of the town that created the tax incremental district, the person
 23 who requested the review, the clerk of each overlying taxing jurisdiction, and the
 clerk of every city or village that borders the town. The written notification shall
 include the time, date, and location of the hearing.

1 5. The secretary of revenue, or the secretary's designee, shall preside at the
2 hearing and shall receive testimony and evidence on all issues that are related to the
3 request for review. Following the hearing, the secretary shall make one of the
4 following determinations:

5 a. The town is in compliance with sub. (2) (b).

6 b. The town has made expenditures or incurred debts that are not allowed
7 under sub. (2) (b). If the secretary makes this determination, the secretary shall
8 either order the town to pay back all ineligible costs or shall order the district to be
9 terminated. If the secretary orders the district to be terminated, the town becomes
10 liable for all unpaid project costs actually incurred which are not paid from the
11 special fund under sub. (6) (d).

into the district's
overlying taxing jurisdictions,
on a proportional basis that
relates to each jurisdiction's share of the
tax increment,
(from funds other than tax increments
allocated
under sub. (6))

***NOTE: Who do you intend the town to "pay back" for ineligible costs, and what
funds should the town use for this purpose? Is the town supposed to reimburse all
overlying taxing jurisdictions for any increments that the town has received?
***NOTE: I added the language regarding liability, which is taken from sub (9) (c).
Is this OK?

this
subsection

12 6. Any person or unit of government that received a notice under subd. 4. may
13 appeal the secretary's decision to the circuit court in Dane County.

***NOTE: Your instructions state that "any party" may appeal the secretary's
decision. Are the persons specified in subd. 6. who you intended to be a party?

14 (7) NOTIFICATION OF POSITION OPENINGS. (a) Any person who operates for profit
15 and is paid project costs under sub. (1) (h) 1. a., d., i. and j. in connection with the
16 project plan for a tax incremental district shall notify the department of workforce
17 development and the local workforce development board established under 29 USC
18 2832, of any positions to be filled in the county in which the town which created the
19 tax incremental district is located during the period commencing with the date the
20 person first performs work on the project and ending one year after receipt of its final

1 payment of project costs. The person shall provide this notice at least 2 weeks prior
2 to advertising the position.

3 (b) Any person who operates for profit and buys or leases property in a tax
4 incremental district from a town for which the town incurs real property assembly
5 costs under sub. (1) (h) 1. c. shall notify the department of workforce development
6 and the local workforce development board established under 29 USC 2832, of any
7 position to be filled in the county in which the town creating the tax incremental
8 district is located within one year after the sale or commencement of the lease. The
9 person shall provide this notice at least 2 weeks prior to advertising the position.

10 (8) REVIEW. (a) The town shall cause a certified public accountant to conduct
11 audits of each tax incremental district to determine if all financial transactions are
12 made in a legal and proper manner and to determine if the tax incremental district
13 is complying with its project plan and with this section. Any town that creates a tax
14 incremental district under this section and has an annual general audit may include
15 the audits required under this subsection as part of the annual general audit.

16 (b) Audits shall be conducted at all the following times:

17 1. No later than twelve months after 30 percent of the project expenditures are
18 made.

19 2. No later than twelve months after the end of the expenditure period specified
20 in sub. (6) (b) 1.

21 3. No later than twelve months after the termination of the tax incremental
22 district under sub. (9).

23 (c) The town shall prepare and make available to the public updated annual
24 reports describing the status of each existing tax incremental district, including

1 expenditures and revenues. The town shall send a copy of the report to each
2 overlying district by May 1 annually.

3 (9) TERMINATION OF TAX INCREMENTAL DISTRICTS. A tax incremental district
4 terminates when the earliest of the following occurs:

5 (a) That time when the town has received aggregate tax increments with
6 respect to the district in an amount equal to the aggregate of all project costs under
7 the project plan and any amendments to the project plan for the district.

8 (b) Eleven years after the last expenditure identified in the original,
9 unamended project plan is made.

10 (c) The town board, by resolution, dissolves the district, at which time the town
11 becomes liable for all unpaid project costs actually incurred which are not paid from
12 the special fund under sub. (6) (d).

13 (d) The secretary of revenue determines that tax increments have been used
14 to pay for ineligible costs and the secretary of revenue orders that the district be
15 terminated under sub. (6) (e) 5. b.

16 (10) NOTICE OF DISTRICT TERMINATION. (a) A town which creates a tax
17 incremental district under this section shall give the department of revenue written
18 notice within 10 days of the termination of the tax incremental district under sub.
19 (9).

20 (b) If the department of revenue receives a notice under par. (a) during the
21 period from January 1 to May 15, the effective date of the notice is the date the notice
22 is received. If the notice is received during the period from May 16 to December 31,
23 the effective date of the notice is the first January 1 after the department of revenue
24 receives the notice.

1 (c) Not later than February 15 of the year immediately following the year in
2 which a town transmits to the department of revenue the notice required under par.
3 (a) the town shall send to the department, on a form prescribed by the department,
4 all of the following information that relates to the terminated tax incremental
5 district:

- 6 1. A final accounting of all expenditures made by the town.
- 7 2. The total amount of project costs incurred by the town.
- 8 3. The total amount of positive tax increments received by a town.

9 (d) If a town does not send to the department of revenue the form specified in
10 par. (c), the department may not certify the tax incremental base of a tax incremental
11 district in the town under sub. (5) (a) and (b) until the form is sent to the department.

12 (11) FINANCING OF PROJECT COSTS. Payment of project costs may be made by any
13 one or more of the following methods:

14 (a) Payment by the town from the special fund of the tax incremental district.

15 (b) Payment out of its general funds.

16 (c) Payment out of the proceeds of the sale of bonds or notes issued by it under
17 ch. 67.

18 (d) Payment out of the proceeds of the sale of public improvement bonds issued
19 by it under s. 66.0619.

20 (e) Payment as provided under s. 66.0713 (2) and (4) or 67.16.

21 (f) Payment out of the proceeds of revenue bonds or notes issued by it under s.
22 66.0621.

23 (g) Payment out of the proceeds of revenue bonds issued by the town as provided
24 by s. 66.1103, for a purpose specified in that section.

1 **(12) OVERLAPPING TAX INCREMENTAL DISTRICTS.** (a) Subject to any agreement
2 with bondholders, a tax incremental district may be created, the boundaries of which
3 overlap one or more existing districts, except that districts created as of the same
4 date may not have overlapping boundaries.

5 (b) If the boundaries of 2 or more tax incremental districts overlap, in
6 determining how positive tax increments generated by that area which is within 2
7 or more districts are allocated among the overlapping districts, but for no other
8 purpose, the aggregate value of the taxable property in the area as equalized by the
9 department of revenue in any year as to each earlier created district is that portion
10 of the tax incremental base of the district next created which is attributable to the
11 overlapped area.

12 **(13) EQUALIZED VALUATION FOR APPORTIONMENT OF PROPERTY TAXES.** With respect
13 to the county, school districts and any other local governmental body having the
14 power to levy taxes on property located within a tax incremental district, if the
15 allocation of positive tax increments has been authorized by the department of
16 revenue under sub. (6) (a), the calculation of the equalized valuation of taxable
17 property in a tax incremental district for the apportionment of property taxes may
18 not exceed the tax incremental base of the district until the district is terminated.

19 **(14) DEPARTMENT OF COMMERCE REPORT.** The department of commerce, in
20 cooperation with other state agencies and local governments, shall make a
21 comprehensive report to the governor and the chief clerk of each house of the
22 legislature, for distribution to the legislature under s. 13.172 (2), at the beginning
23 of each biennium, beginning with the 2007 biennium, as to the effects and impact of
24 town tax incremental financing projects socially, economically, and financially.

****NOTE: Are the changes I made in this subsection (2007 biennium, town-specific report) OK? *NO response*

1 **(16) USE OF TAX INCREMENTAL FINANCING FOR INLAND LAKE PROTECTION AND**
2 **REHABILITATION PROHIBITED.** Notwithstanding sub. (11), no tax incremental financing
3 project plan may be approved and no payment of project costs may be made for an
4 inland lake protection and rehabilitation district or a county acting under s. 59.70
5 (8).

6 **(17) PAYMENT OF ELIGIBLE COSTS FOR ANNEXED TERRITORY, REDETERMINATION OF TAX**
7 **INCREMENTAL BASE.** If a city or village annexes territory from a town and if all or part
8 of the territory that is annexed is part of a tax incremental district created by the
9 town, the city or village shall pay to the town that portion of the eligible costs that
10 are attributable to the annexed territory. The city or village, and the town, shall
11 negotiate an agreement on the amount that must be paid under this subsection. The
12 department shall redetermine the tax incremental base of any parcel of real property
13 for which the tax incremental base was determined under sub. (5) if part of that
14 parcel is annexed under this subsection.

****NOTE: I added the language relating to the redetermination of the tax
incremental base because it seems to be necessary, and was included in SB 305, as shown
by SSA 1 to SB 305, bill-section number 43. Is this OK? *NO response*

15 **(18) SUBSTANTIAL COMPLIANCE.** Substantial compliance with subs. (2), (3) (a),
16 (b), (c), (d), (e), (f), and (j), (4), and (5) (b) by a town that creates, or attempts to create,
17 a tax incremental district is sufficient to give effect to any proceedings conducted
18 under this section if, in the opinion of the department of revenue, any error,
19 irregularity, or informality that exists in the town's attempts to comply with subs.
20 (2), (3) (a), (b), (c), (d), (e), (f), and (j), (4), and (5) (b) does not affect substantial justice.
21 If the department of revenue determines that a town has substantially complied with
22 subs. (2), (3) (a), (b), (c), (d), (e), (f), and (j), (4), and (5) (b), the department of revenue

1 shall determine the tax incremental base of the district, allocate tax increments, and
2 treat the district in all other respects as if the requirements under subs. (2), (3) (a),
3 (b), (c), (d), (e), (f), and (j), (4), and (5) (b) had been strictly complied with based on the
4 date that the resolution described under sub. (3) (h) 2. is adopted.

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

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

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

24 **SECTION 3. Initial applicability.**

1 (1) This act first applies to a tax incremental district that is created on October
2 1, 2004.

3

(END)

Act 127

2003 Senate Bill 306

AMC

INS 31
20.566(1)(go) as created Aug 2003
Wisconsin Act 127

Date of enactment: February 20, 2004

Date of publication*: March 5, 2004

~~2003 WISCONSIN ACT 127~~



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

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

03 Wis. Act 127, s. 1

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



03 Wis. Act 127, s. 1 - continued

(B)

ss. 60.85 (5) (a) and



→ 20.566 (1) (go) Administration of tax incremental financing program. All moneys received from the fees imposed under s. 66.1105 (5) (a) to pay the costs of the department of revenue in providing staff and administrative services associated with tax incremental districts under s. 66.1105. ss. 60.85 and

03 Wis. Act 127, s. 8

Section 8. Effective date.



03 Wis. Act 127, s. 8 - continued

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



✓

INS 17-3

03 Wis. Act 126, s. 16

Section 16. 66.1105 (4m) (ae) of the statutes is created to read.

03 Wis. Act 126, s. 16 - continued (am)

1. A representative chosen by a school district under par. (a) shall be the president of the school board, or his or her designee. If the school board president appoints a designee, he or she shall give preference to the school district's finance director or another person with knowledge of local government finances.

03 Wis. Act 126, s. 16 - continued

2. The representative chosen by the county under par. (a) shall be the county executive or, if the county does not have a county executive, the chairperson of the county board, or the executive's or chairperson's designee. If the county executive or county board chairperson appoints a designee, he or she shall give preference to the county treasurer or another person with knowledge of local government finances.

03 Wis. Act 126, s. 16 - continued

3. The representative chosen by the ~~city~~ ^{town} under par. (a) shall be the ~~mayor or city manager~~ ^{board chairperson}, or his or her designee. If the ~~mayor or city manager~~ ^{town} appoints a designee, he or she shall give preference to the person in charge of administering the ~~city's~~ ^{town's} economic development programs, the ~~city~~ ^{town} treasurer, or another person with knowledge of local government finances.

03 Wis. Act 126, s. 16 - continued

4. The representative chosen by the technical college district under par. (a) shall be the district's director or his or her designee. If the technical college district's director appoints a designee, he or she shall give preference to the district's chief financial officer or another person with knowledge of local government finances.

Shovers, Marc

From: Phillips, Matt
Sent: Thursday, March 04, 2004 9:31 AM
To: Shovers, Marc
Subject: FW: SSA to AB 437

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

From: Gates-Hendrix, Sherrie
Sent: Thursday, March 04, 2004 9:23 AM
To: Phillips, Matt
Cc: Letzing, Rachel
Subject: FW: SSA to AB 437

Matt -- Here are the comments I mentioned on the phone. I apologize for the late nature of these comments. They come from our TIF technical expert who was on vacation last week.

Sherrie

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

From: Boldt, Rebecca A
Sent: Thursday, March 04, 2004 8:48 AM
To: Gates-Hendrix, Sherrie
Subject: SSA to AB 437

Sherrie:

We have identified several important flaws in the draft. They relate to the application date and redetermination of the tax base in the case of amendments. These changes would conform to the changes made in Act 126.

1. Page 15: Lines 17-21: (3)(L) should be amended to read as follows:

(3)(L) Calculation by the local assessor of the value of all tax-exempt town-owned property, except property described in sub. (5)(c), in the proposed tax incremental district, as of the day of the district's creation or amendment under par. (j)2. This information shall be sent to the department of revenue for inclusion in the tax incremental district's initial tax incremental base determined under sub. (5)(b) or (5)(d)1.

This closes a loop-hole regarding amendments - this would ensure same restrictions related to town-owned property applies to amending as well as creating a TID

2. Page 19: (5)(b) should be amended to read as follows:

(5)(b) Upon application in writing by the town clerk, in a form prescribed by the department of revenue, the department shall determine according to its best judgement from all sources available to it the full aggregate value of the taxable property and, except as provided in par. (c), of the town-owned property in the tax incremental district. Subject to sub. (10)(d), the department shall certify this aggregate valuation to the town clerk, and the aggregate valuation constitutes the tax incremental base of the tax incremental district. The town clerk shall complete these forms including forms for the amendment of a project plan, and submit the application or amendment forms on or before December 31 of the year the tax incremental district was created, as defined in sub. (3)(h)2. or in the case of an amendment, on or before December 31 of the year in which the changes to the project plan take effect.

This provides the same application deadline for amendments as for creation

3. Page 19: (5)(d)1. should be amended to read as follows:

(5)(d)1. If the town adopts an amendment to the original project plan for any district under sub. (3)(j)2. which includes additional project costs at least part of which will be incurred after the period specified in sub. (6)(b)1., the tax incremental base of the district shall be redetermined by adding to the tax incremental base the value of the taxable property and the value of real property owned by the city, other than property described in par. (c), that is added to the existing district as of

the January 1 of the same calendar year for a resolution adopted before October 1 or as of January 1 of the next subsequent calendar year for a resolution adopted after September 30. the tax incremental base as redetermined under this subdivision is effective of the purposes of this section only if it exceeds the original tax incremental base determined under par. (b).

This clarifies how the base is redetermined in case of amendment and applies same restriction related to town-owned property for amendments as for creation.

Rebecca