

Committee Name:
**Senate Committee –
Higher Education and Tourism
(SC–HET)**

Appointments

03hr_SC–HET_Appt_pt00

Committee Hearings

03hr_SC–HET_CH_pt00

Committee Reports

03hr_SC–HET_CR_pt00

Clearinghouse Rules

03hr_SC–HET_CRule_03–

Executive Sessions

03hr_SC–HET_ES_pt00

Hearing Records

03hr_ab0000

03hr_sb0514

Misc.

03hr_SC–HET_Misc_pt00

Record of Committee Proceedings

03hr_SC–HET_RCP_pt00



PAPER BALLOT

Senate Amendment 1 to Senate Bill 514 (Lassa's LRB-a2477/1 – see attachment)

Senate Amendment 2 to Senate Bill 514 (Lassa's LRB-a2478/1 – see attachment)

Senate Bill 514

Relating to: the regulation, preservation, and restoration of historic buildings, the supplement to the federal historic rehabilitation tax credit and the state historic rehabilitation tax credit, requiring the certification of downtowns, promoting certain downtown areas in this state, highway projects involving business and downtown areas, the construction of major highway projects involving a bypass, granting rule-making authority, and making appropriations.

By Senators Lassa, Harsdorf, Robson, Plale, Schultz, Risser and Hansen; cosponsored by Representatives Schooff, Shilling, McCormick, Suder, Richards, Berceau, Balow, Huber, J. Lehman, Plouff, Gronemus, Molepske, Musser and Miller.

Passage as Amended

Signature:

Please return to Senator Harsdorf's office by 12:00 PM,
Thursday, March 4, 2004

Adoption:	
Aye	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>



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Passage as Amended

Signature:

Adoption:

Aye

No

Reger

Please return to Senator Harsdorf's office by 12:00 PM,
Thursday, March 4, 2004



Senator Schultz
Room 18 South

State Senator Sheila Harsdorf

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<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>



WISCONSIN LEGISLATIVE COUNCIL

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

TO: SENATOR SHEILA HARSDORF

FROM: Russ Whitesel, Senior Staff Attorney *RW.*

RE: Senate Amendments to 2003 Senate Bill 514, Relating to Historic Buildings, Promotion of Certain Downtown Areas, and Highway Construction Projects

DATE: March 3, 2004

This memorandum describes two amendments to Senate Bill 514, which relates to historic buildings, promotion of certain downtown areas, and highway construction projects. Both amendments delete provisions from Senate Bill 514.

Senate Amendment ¹ (LRBa2477/1)

Senate Bill 514 provides that, prior to constructing a major highway project involving a bypass, the Department of Transportation (DOT) must notify the governing body of the city, village, or town primarily to be affected by the bypass of DOT's proposed construction of the bypass. If the governing body of the city, village, or town adopts a resolution, within 90 days of being notified by DOT, stating that an active bypass is in the best public interest of the city, village, or town and sends a copy of the resolution to DOT within seven days of its adoption, DOT is required to design and construct an active bypass. The bill defines "active bypass" as a bypass of an existing highway that is designed and constructed in such a way that access to the bypass requires motorists to exit the existing highway in order to travel on the bypass.

Senate Amendment ¹ (LRBa2477/1) *deletes* this provision from the bill.

Senate Amendment ² (LRBa2478/1)

Senate Bill 514 specifies that DOT, in providing any matching funds for local highway projects, is required to fund the construction of any highway lane without regard to whether it is a travel lane or parking lane. This requirement applies only to local highway projects that are in business areas under the State Main Street Program or in downtowns certified by the Department of Commerce.

Senate Amendment ² (LRBa2478/1) *deletes* this provision from the bill.

If you have any questions regarding this legislation or these amendments, please contact me directly at the Legislative Council staff offices.

RW:jal:ksm

Testimony to the Wisconsin State Senate

**Committee on Higher Education and Tourism,
Senator Sheila Harsdorf, chairperson**

March 3, 2004

re: 2003 SENATE BILL 514

James A. Sewell
Senior Preservation Architect
Division of Historic Preservation
Wisconsin Historical Society
816 State Street
Madison, Wisconsin

Good morning Senator Harsdorf and members of the Committee on Higher Education and Tourism. My name is Jim Sewell and I am the Senior Preservation Architect in the Division of Historic Preservation of the Wisconsin Historical Society. I have administered historic preservation tax credit programs on behalf of the Society for the past 25 years,

Today, I offer the Society's enthusiastic support of Senate Bill 514.

The Wisconsin Historical Society administers a program of tax credits for rehabilitation of historic buildings that will be used for the production of income. This is a nation-wide program, overseen at the federal level by the National Park Service. Since 1981, the program has rehabilitated more than 650 historic buildings in Wisconsin and has resulted in more than \$1.1 billion in tax-credit-eligible rehabilitation work. Last year alone, Wisconsin's program generated \$375 million in eligible construction work.

Key to the program's success has been the 5% state supplement to the credit that went into effect in 1987. At its passage, it was a unique state-based incentive and, although it required owners to delay their projects for as much as 60 days, it rewarded them with an additional state income tax credit. The results were impressive, and over the past 15 years, Wisconsin's has been one of the most successful programs in the nation in its utilization of this program.

The Wisconsin supplement helped to induce owners to invest in their historic buildings -- and it helped to persuade investors to focus on Wisconsin properties, rather than those in neighboring states. In recent years, other states have enacted their own incentive programs and some Wisconsin investors now seek out projects elsewhere. To compound the problem, because current laws do not allow investors to allocate tax credits among themselves, the supplement does not attract out-of-state residents to invest in Wisconsin's historic resources.

Senate Bill 514 targets Wisconsin's downtowns and, over time, should help to save and return to active use numerous downtown historic buildings. It provides significant financial incentives to owners of historic properties in Wisconsin's downtowns, qualifying them for an increased state tax credit and, in some cases, allowing them to qualify for the state credit when they cannot qualify for

the federal credit. The positive effect of bringing this new investment to our downtowns should be substantial.

Senate Bill 514 also corrects some technical problems in the current law. It allows owners and developers to qualify for the Wisconsin supplement without having to wait for federal approval; it allows out-of-state investors to sell tax credits to in-state residents; and it brings the recapture provisions in line with those of the federal credit.

Enactment of Assembly Bill 624 will have the following positive effects:

- It will reduce the time that it takes owners to qualify for the Wisconsin supplement, thus reducing uncertainties and carrying costs. It should make participation in the program far more attractive to owners and developers.
 - It will open the door to out-of-state investors who may have no Wisconsin income tax liability but who may wish to shift the credit to Wisconsin investors in return for other partnership benefits.
 - It adds an important, extra incentive to owners of properties in Wisconsin's downtowns to rehabilitate their income-producing and residential properties.
-
- It provides a self-generating source of funding for administration of the tax credit and Main Street programs.
 - Lastly, and most importantly, it should return more historic properties, particularly those in Wisconsin's historic downtowns, to viable economic use. The state loses hundreds of irreplaceable historic properties each year and this tax credit program is one of the few financial incentives available to owners and developers.

For these reasons, the Wisconsin Historical Society supports Senate Bill 514.

Thank you for the opportunity to address the Committee on Higher Education and Tourism. Please let me know if you have any questions.