ASSEMBLY BILL 193 (LRB -1961)

An Act to amend 66.1105 (2) (f) 1. (intro.); and to create 66.1105 (2) (f) 1. m. and 66.1105 (6) (am) 5. of the statutes; relating to: expenditure periods, and allowable project costs, for certain tax incremental districts in the city of Kenosha. (FE)

2005

09-20.	A.	Introduced by Representatives **Steinbrink**, **Kerkman** and **Ott**; cosponsored by Senators **Wirch** and **Stepp**.	
03-10.	A.	Read first time and referred to committee on Ways and Means	120
03-29.	A.	Fiscal estimate received.	
04-27.	A.	Public hearing held.	
05-11.	A.	Executive action taken.	
05-24.	A.	Report passage recommended by committee on Ways and Means, Ayes 10, Noes 0	255
05-24.	A.	Referred to committee on Rules	255
06-09.	A.	Placed on calendar 6-14-2005 by committee on Rules.	
06-14.	A.	Read a second time	288
06-14.	A.	Ordered to a third reading	288
06-14.	A.	Rules suspended	288
06-14.	A.	Read a third time and **passed**	288
06-14.	A.	Ordered immediately messaged	288
06-15.	S.	Received from Assembly	257
06-15.	S.	Read first time and referred to committee on Job Creation, Economic Development and Consumer Affairs	258
06-24.	S.	Executive action taken.	
06-28.	S.	Report concurrence recommended by committee on Job Creation, Economic Development and Consumer Affairs, Ayes 5, Noes 0	276
06-28.	S.	Available for scheduling.	
09-19.	S.	Rereferred to joint committee on Finance, pursuant to Senate Rule 41 (1)(e), by committee on Senate Organization, Ayes 5, Noes 0.	
09-19.	S.	Withdrawn from joint committee on Finance and placed on calendar of 9-20-2005, pursuant to Senate Rule 41 (1)(e), by committee on Senate Organization, Ayes 5, Noes 0.	
09-20.	S.	Read a second time.	
09-20.	S.	Ordered to a third reading.	
09-20.	S.	Rules suspended.	
09-20.	S.	Read a third time and **concurred in**, Ayes 33, Noes 0.	
09-20.	S.	Ordered immediately messaged.	
09-20.	A.	Received from Senate concurred in.	

2005
ENROLLED BILL

05en A B-19 3

ADOPTED DOCUMENTS:

☒ Orig ☐ Engr ___ SubAmdt ___ 05-196/12

Amendments to above (if none, write "NONE"): none

Corrections – show date (if none, write "NONE"): none

Topic relay

9/21/05 [signature]

Date **Enrolling Drafter**

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2005 ASSEMBLY BILL 193

March 10, 2005 – Introduced by Representatives STEINBRINK, KERKMAN and OTT, cosponsored by Senators WIRCH and STEPP. Referred to Committee on Ways and Means.

1 AN ACT ***to amend*** 66.1105 (2) (f) 1. (intro.); and ***to create*** 66.1105 (2) (f) 1. m. and
2 66.1105 (6) (am) 5. of the statutes; **relating to:** expenditure periods, and
3 allowable project costs, for certain tax incremental districts in the city of
4 Kenosha.

Analysis by the Legislative Reference Bureau

Under the current tax incremental financing 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.

Also under current law, once a TID has been created, the Department of Revenue 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 and 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 project costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. Generally under current law, but subject to one exception, project costs are required to be expended within the

boundaries of a TID. Under this bill, the project costs of a TID in the city of Kenosha may be spent on territory within a one–half mile radius of the boundary of the TID if that TID is a blighted area TID.

TIDs are required to terminate, under current law and with some exceptions, once these project costs are paid back. Under one of the exceptions, 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 (donee TIDs) that has been created by the planning commission.

Also under current law, certain donor TIDs in the city of Kenosha may share their tax increments with donee TIDs in that city if environmental pollution in the donee TID slows development in that TID.

Current law specifies that for certain TIDs, subject to a number of exceptions, the expenditure period to pay off project costs is limited to five years before the unextended termination date of the TID. This bill applies that same expenditure period, five years before the termination date of the TID, to certain donor TIDs in the city of Kenosha.

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

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

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

2 66.1105 **(2)** (f) 1. (intro.) "Project costs" mean any expenditures made or
3 estimated to be made or monetary obligations incurred or estimated to be incurred
4 by the city which are listed in a project plan as costs of public works or improvements
5 within a tax incremental district or, to the extent provided in ~~subd.~~ subds. 1. k. and
6 1.m., without the district, plus any incidental costs, diminished by any income,
7 special assessments, or other revenues, including user fees or charges, other than tax
8 increments, received or reasonably expected to be received by the city in connection
9 with the implementation of the plan. For any tax incremental district for which a
10 project plan is approved on or after July 31, 1981, only a proportionate share of the
11 costs permitted under this subdivision may be included as project costs to the extent
12 that they benefit the tax incremental district. To the extent the costs benefit the

municipality outside the tax incremental district, a proportionate share of the cost is not a project cost. "Project costs" include:

SECTION 2. 66.1105 (2) (f) 1. m. of the statutes is created to read:

66.1105 **(2)** (f) 1. m. With regard to a tax incremental district that is located in a city to which sub. (6) (d) applies and about which a finding has been made that not less than 50 percent, by area, of the real property within the district is a blighted area, project costs incurred for territory that is located within a one–half mile radius of the district's boundaries.

SECTION 3. 66.1105 (6) (am) 5. of the statutes is created to read:

66.1105 **(6)** (am) 5. No expenditure may be made later than 5 years before the termination date of a tax incremental district to which par. (d) applies.

(END)