

2005 DRAFTING REQUEST

Bill ()

Received: 02/16/2005

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: John Steinbrink (608) 266-0455

By/Representing: Nancy (Rep. Kreuser), Geoff

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters:

Subject: Local Gov't - tax incr financing

Extra Copies:

Submit via email: YES

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Changes to tax incremental district (TID) in Kenosha

Instructions:

See Attached. Technical changes to TIF for Kenosha blight TIDs

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>
/?							
/1	mshovers 02/02/2005	jdyer 02/16/2005	jfrantze 02/16/2005	_____	sbasford 02/16/2005		Local
/2	mshovers 02/16/2005	jdyer 02/18/2005	pgreensl 02/18/2005	_____	sbasford 02/18/2005	mbarman 02/23/2005	

FE Sent For:

<END>

2005 DRAFTING REQUEST

Bill ()

Received: 02/16/2005

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: James Kreuser (608) 266-5504

By/Representing: AJ

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters:

Subject: Local Gov't - tax incr financing

Extra Copies:

Submit via email: YES

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Changes to tax incremental district (TID) in Kenosha

Instructions:

See Attached. Technical changes to TIF for Kenosha blight TIDs

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>
/?							
/1	mshovers 02/02/2005	jdyer 02/16/2005	jfrantze 02/16/2005	_____	sbasford 02/16/2005		Local
/2	mshovers 02/16/2005	jdyer 02/18/2005	pgreensl 02/18/2005	_____	sbasford 02/18/2005		

FE Sent For:

<END>

2005 DRAFTING REQUEST

Bill

Received: 02/01/2005

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: James Kreuser (608) 266-5504

By/Representing: A.J.

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters:

Subject: Tax, Individual - dedct/sbtret

Extra Copies:

Submit via email: YES

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Changes to a tax incremental district (TID) in Kenosha

Instructions:

See Attached. Technical changes to TIF for Kenosha blight TIDs

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>
/?							
/1	mshovers 02/02/2005	jdyer 02/16/2005	jfrantze 02/16/2005	_____	sbasford 02/16/2005		

1/2 MES 2/16/05
 FE Sent For: 2/18 jld 2/18 ps <END>

2005 DRAFTING REQUEST

Bill

Received: **02/01/2005**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **James Kreuser (608) 266-5504**

By/Representing: **A.J.**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact:

Addl. Drafters:

Subject: **Tax, Individual - dedct/sbtrct**

Extra Copies:

Submit via email: **YES**

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Changes to a tax incremental district (TID) in Kenosha

Instructions:

See Attached. Technical changes to TIF for Kenosha blight TIDs

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>
1/1	mshovers	1 3/16 jlc	2/2/05	2/16			

FE Sent For:

<END>



JIM KREUSER

State Representative • 64th Assembly District

DEMOCRATIC LEADER - WISCONSIN STATE ASSEMBLY

Thanks, Marc.

Any particular
questions can be
answered by Mayor
John Antaramian or
his assistant Zorhab
at Kenosha City Planning.

262-653-4000.

MADISON: P.O. Box 752, Madison, WI 53708-0752 • (608) 262-5504
FAX: (608) 282-3664 • Toll Free: 1-888-553-4000 • E-mail: Rep.Kreuser@legis.state.wi.gov
DISTRICT: 3505 14th Place, Kenosha, WI 53144 • (262) 553-5555

PRINTED ON RECYCLED PAPER

Jim Kreuser
A.J.

2. Addition to 66.1105(2)(f)1. and New Section 66.1105(2)(f)1.L

Existing "Project costs" mean any expenditures made or estimated to be made or monetary obligations incurred or estimated to be incurred by the city which are listed in a project plan as costs of public works or improvements within a tax incremental district or, to the extent provided in subd.1.k., without the district..."

Addition "...to the extent provided in subd. 1.k. and 1.L., without the district..."

New (2)(f)1.L. "Costs within a 1/2 mile radius of those tax incremental districts located in a city where sub. (6)(d) apply and where it was found that not less than 50 percent, by area, of the real property within the district is blighted"

Analysis 66.1105(2)(f)1. describes the eligible project costs for a TID and refers to subd. 1.k. which describes the eligible project costs that can be incurred outside the TID boundaries.

The new (2)(f)1.L. would allow Kenosha blight TIDs (see reference to sub. (6)(d)) to incur project costs and make public improvements outside the TID boundaries. The other taxing entities would not be negatively affected by this change because valuation increase and the taxes thereon would accrue to each entity, rather than just to the City, as would be the case if such increase occurred within a TID.

Post-It® Fax Note	7671	Date	1/14/05	# of pages	1
To	A.J. Wilson	From	John Antaramian		
Co./Dept.	State Legis.	Co.			
Phone #		Phone #	262-653-4000		
Fax #	608-282-3664	Fax #			



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-1961/A

MES

TODAY

jd
Rmk

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

gen

1

AN ACT ...; relating to: allowable project costs for certain tax incremental districts in the City of Kenosha.

2

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 (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. and

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. TIDs are required to terminate, under current law and with some exceptions, once these 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.

Under this bill, the project costs of a donor TID in the city of Kenosha may be spent on territory within ^{plain} one-half mile radius of the boundary of the donor TID if that TID is a blighted area TID.

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 ~~subds. 1. k. and l.m.,~~ ^{strike} ~~subds.~~ ^{strike PERIOD} subds.

6 without the district, plus any incidental costs, diminished by any income, special

7 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

13 municipality outside the tax incremental district, a proportionate share of the cost

14 is not a project cost. "Project costs" include:

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. 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326.

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

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

6

(END)

Shovers, Marc

From: Krifka, Nancy
Sent: Wednesday, February 16, 2005 10:54 AM
To: Shovers, Marc
Subject: FW: Drafting Instructions - TID

Hi Marc,

You may have already received this from Joe, but just in case I'll send it too.

As you can see, Rep. Kreuser would like to make in TIF language. As mentioned below this matter is very time sensitive.

Thanks
Nancy

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

From: Krifka, Nancy
Sent: Wednesday, February 16, 2005 10:04 AM
To: Kreye, Joseph
Subject: Drafting Instructions - TID

Joe,

Please find attached drafting instructions relating to changes we are proposing regarding 66.1105. This is time sensitive and Representative Kreuser would like to have a draft within a week. Will you be able to get us something in that timeframe?

If you have any questions please give me a call or shoot me an email.

Thanks,
Nancy



DRAFTING
TRUCTIONS [TID].c

Nancy Krifka

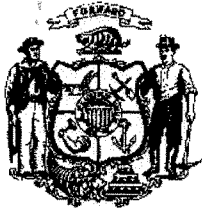
Assistant to Representative

Jim Kreuser

Assembly Democratic Leader

201W, State Capitol

(608) 266-5504



JIM KREUSER

State Representative • 64th Assembly District

DEMOCRATIC LEADER - WISCONSIN STATE ASSEMBLY

DRAFTING INSTRUCTIONS:

1. An extension of the expenditure period to end five years before the statutory end of the TID. This change would allow the same expenditure period as all other blight TIDs statewide that were created after 1995.

Existing "...no expenditure may be made later than 5 years before the unextended termination date of a tax incremental district under sub. (7)(am)."

Addition "...no expenditure may be made later than 5 years before the unextended termination date of a tax incremental district under sub. (7)(am) or *later than 5 years before the termination date of a tax incremental district to which par. (d) applies.*"

2. Allow eligible project expenditures to be made within a one half-mile radius of blight TID and to be recaptured through tax increments within the TID.

Existing "Project costs" mean any expenditures made or estimated to be made or monetary obligations incurred or estimated to be incurred by the city which are listed in a project plan as costs of public works or improvements within a tax incremental district or, to the extent provided in subd. 1.k., without the district..."

Addition "...to the extent provided in subd. 1.k. *and 1.L.*, without the district..."

New (2)(f)1.L. "*Costs within a 1/2 mile radius of those tax incremental districts located in a city where sub. (6)(d) apply and where it was found that not less than 50 percent, by area, of the real property within the district is blighted*"

MADISON: P.O. Box 8952, Madison, WI 53708-8952 • (608)266-5504
FAX: (608) 282-3664 • Toll-Free: 1-888-534-0064 • E-MAIL: Rep.Kreuser@legis.state.wi.us
DISTRICT: 3505 14th Place, Kenosha, WI 53144 • (262)553-5555

Printed on recycled paper.

Shovers, Marc

From: Krifka, Nancy
Sent: Wednesday, February 16, 2005 5:07 PM
To: Shovers, Marc
Subject: adjustments to TIF draft

Marc,

In reviewing LRB-1961/1 there are a couple of items that need clarification. Please see below language change and clarification as to the objective of this proposal.

Thank you

Page 3 line 1

66.1105(2)(f)1.m. should read:

With regard to *any tax incremental district 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 are incurred for territory that is located within a one-half mile radius of the district's boundaries.

Additionally, there needs to be changes to the analysis. As written it does not reflect the actual intent or at least it is very unclear. Our intent with this legislation is two part;

1. 66.1105(6)(am)1. designates the expenditure period for all blight TIDs created after 1995 and all industrial TIDs created after 2004 to end five years before the end of the TID. Par. (d) refers to Kenosha's lakefront TID which was created in 1989 and was not developed according to the project plan due to soil contamination. The change allows Kenosha's lakefront TID to have the same expenditure period as other TIDs.

2. 66.1105(2)(f)1.L. would allow Kenosha blight TIDs to incur project costs and make public improvements outside the TID boundaries. The other taxing entities would not be negatively affected by this change because valuation increase and the taxes thereon would accrue to each entity, rather than just to the City, as would be the case if such increase occurred with a TID.

Nancy Krifka

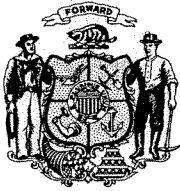
Assistant to Representative

Jim Kreuser

Assembly Democratic Leader

201W, State Capitol

(608) 266-5504



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-1961/1

MES:jld:jf

RMR

2005 BILL

TODAY
BY 2 pm

regen

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

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. TIDs are required to terminate, under current law and with some exceptions, once these costs are paid back.

Generally under current law, but subject to one exception, project costs are required to be paid back.

To be expended within the boundaries of a TID. INS X, From next page

BILL

^(NOX) 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.

^(NOX) Under this bill, the project costs of a ~~donor~~ TID in the city of Kenosha may be spent on territory within a one-half mile radius of the boundary of the ~~donor~~ TID if that TID is a blighted area TID.

INSX-move to p. 1

IN ANU

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

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

BILL

that is located in a city

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

*HN 9
B-5*

6

(END)

2005-2006 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1961/2ins
MES:jld:jf

INS-ANL

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.

INS 3-5

✓ FE-L

SECTION 1. 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.

Barman, Mike

From: Shovers, Marc
Sent: Tuesday, February 22, 2005 5:35 PM
To: Barman, Mike
Subject: FW: LRB 1961/2 (Kenosha TID)

Hi Mike:

I switched the requester from "Kreuser" to "Steinbrink." Could you please jacket this for the Assembly? Thanks. Do you want a copy of the e-mail Nancy sent me authorizing the switch from Kreuser to Steinbrink?

Marc

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

From: Gaston, Geoff
Sent: Tuesday, February 22, 2005 4:30 PM
To: Shovers, Marc
Subject: LRB 1961/2 (Kenosha TID)

Hi Marc:

I have a copy of LRB 1961/2 that Rep. Kreuser's office had drafted. I think Nancy from his office may have talked to you about the bill shifting to Rep. Steinbrink and Sen. Wirsch and wanted to request stripes for this for the Assembly if possible. Thanks, and please call/write with any questions, etc.

Thanks,

Geoff
Rep. Steinbrink's Office

Barman, Mike

From: Shovers, Marc
Sent: Wednesday, February 23, 2005 9:01 AM
To: Barman, Mike
Subject: FW: LRB-1961/2

Here's the authorization from Rep. Kreuser to switch the draft to a Rep. Steinbrink request.

Marc

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

From: Krifka, Nancy
Sent: Tuesday, February 22, 2005 1:41 PM
To: Shovers, Marc
Cc: Gaston, Geoff; Swentkofske, Matthew
Subject: LRB-1961/2

Marc,

We're all set with the draft.

Representative Steinbrink will be the author in the Assembly and Senator Wirch will be the author for the companion bill. Both offices will be contacting you regarding getting the stripes. Any questions please give me a call or shoot me an email.

Thanks
Nancy

Nancy Krifka

Assistant to Representative

Jim Kreuser

Assembly Democratic Leader

201W, State Capitol

(608) 266-5504