ASSEMBLY BILL 156 (LRB -2054)

An Act to create 59.57 (3) of the statutes; and to affect Laws of 1975, chapter 105, section 1 (1) and (2); relating to: allowing certain counties to create tax incremental financing districts. (FE)

2005

06-08.	A.	Introduced by Representatives **Mursau, Gard, Ainsworth, Albers, Hahn, Hines, Krawczyk, McCormick** and **Townsend**; cosponsored by Senators **Breske** and **Grothman**.	
03-03.	A.	Read first time and referred to committee on Ways and Means	104
03-24.	A.	Fiscal estimate received.	
06-07.	A.	Assembly amendment 1 offered by Representative Mursau **(LRB a0691)**	265
06-08.	A.	Public hearing held.	
06-08.	A.	Executive action taken.	
06-09.	A.	Report Assembly Amendment 1 adoption recommended by committee on Ways and Means, Ayes 12, Noes 0	271
06-09.	A.	Report passage as amended recommended by committee on Ways and Means, Ayes 12, Noes 0	271
06-09.	A.	Referred to committee on Rules	271
06-09.	A.	Placed on calendar 6-14-2005 by committee on Rules.	
06-14.	A.	Read a second time	288
06-14.	A.	Assembly amendment 1 **adopted**	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
06-22.	S.	Public hearing held.	
08-25.	S.	Executive action taken.	
08-26.	S.	Report concurrence recommended by committee on Job Creation, Economic Development and Consumer Affairs, Ayes 5, Noes 0	332
08-26.	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	353
10-26.	S.	Executive action taken.	
10-27.	S.	Report concurrence recommended by joint committee on Finance, Ayes 16, Noes 0	413
10-27.	S.	Available for scheduling.	

2006

03-06.	S.	Placed on calendar 3-7-2006 by committee on Senate Organization.	
03-07.	S.	Read a second time.	
03-07.	S.	Ordered to a third reading.	
03-07.	S.	Rules suspended.	
03-07.	S.	Read a third time and **concurred in**, Ayes 32, Noes 1.	
03-07.	S.	Ordered immediately messaged.	
03-07.	A.	Received from Senate concurred in	910

2 0 0 5
ENROLLED BILL

05en A B- 156

ADOPTED DOCUMENTS:

☒ Orig ☐ Engr ___ SubAmdt ___   05-2054/1

Amendments to above (if none, write "NONE"): _AA1 ———— a 0691/2_

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

Topic _Rel_

_3/8/06_   _S.R.Miller_

Date   **Enrolling Drafter**

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2005 ASSEMBLY BILL 156

March 3, 2005 – Introduced by Representatives MURSAU, GARD, AINSWORTH, ALBERS, HAHN, HINES, KRAWCZYK, MCCORMICK and TOWNSEND, cosponsored by Senators BRESKE and GROTHMAN. Referred to Committee on Ways and Means.

1   AN ACT *to create* 59.57 (3) of the statutes; and *to affect* Laws of 1975, chapter

2   105, section 1 (1) and (2); **relating to:** allowing certain counties to create tax

3   incremental financing districts.

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 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.

Current law also authorizes towns, under very limited circumstances, to create TIDs for agricultural, forestry, manufacturing, and tourism projects and for related retail and residential development.

This bill authorizes counties in which no cities or villages are located to use tax incremental financing and create a TID if the town board of each town in which the proposed TID is to be located approves.

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

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

1   SECTION 1. 59.57 (3) of the statutes is created to read:

2   59.57 **(3)** TAX INCREMENTAL FINANCING. (a) *Authority.* Subject to par. (b), a

3   county board of a county in which no cities or villages are located may exercise all

4   powers of cities under s. 66.1105. If the board exercises the powers of a city under

5   s. 66.1105, it is subject to the same duties as a common council under s. 66.1105 and

6   the county is subject to the same duties and liabilities as a city under s. 66.1105.

7   (b) *Limitations.* A board acting under par. (a) may not create a tax incremental

8   district unless the town board of each town in which the proposed district is to be

9   located adopts a resolution approving of the creation of the district. INSERT 1-2

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

11   [Laws of 1975, chapter 105] Section 1 (1) The legislature finds that the existing

12   system of allocating aggregate property tax revenues among tax levying

1   municipalities has resulted in significant inequities and disincentives. The cost of

2   public works or improvements within a city, town, ~~or~~ village, or county has been

3   borne entirely by the city, town, ~~or~~ village, or county, while the expansion of tax base

4   which is stimulated, directly or indirectly, by such improvements, benefits not only

5   the city, town, ~~or~~ village, or county but also all municipalities which share such tax

6   base. This situation is inequitable. Moreover, when the cost to a city, town, ~~or~~ village,

7   or county of a public improvement project exceeds the future benefit to the city, town,

8   ~~or~~ village, or county resulting therefrom, the city, town, ~~or~~ village, or county may

9   decide not to undertake such project. This situation has resulted in the

10   postponement or cancellation of socially desirable projects.

11   (2) The legislature further finds that accomplishment of the vital and beneficial

12   public purposes of sections 66.405 to 66.425, 66.43, 66.431, 66.435 and 66.52 of the

13   statutes is being frustrated because of a lack of incentives and financial resources.

14   The purpose of this act is to create a viable procedure by which a city, village, ~~or~~ town,

15   or county, through its own initiative and efforts, may finance projects which will tend

16   to accomplish these laudable objectives.   INSERT 1-3

17   **(END)**

ASSEMBLY AMENDMENT 1,

TO 2005 ASSEMBLY BILL 156

June 7, 2005 – Offered by Representative MURSAU.

1   At the locations indicated, amend the bill as follows:

2   **1.** Page 2, line 7: after "*Limitations.*" insert "1.".

3   **2.** Page 2, line 9: after that line insert:

4   "2. When a county convenes a joint review board under s. 66.1105 (4m) (a), the

5   county representative specified in that paragraph shall be chosen as specified under

6   s. 66.1105 (4m) (ae) 2., and the city representative specified in s. 66.1105 (4m) (a) and

7   chosen as specified under s. 66.1105 (4m) (ae) 3. shall be a representative of the town

8   where the tax incremental district is located, and shall be the town board chair or his

9   or her designee, consistent with the provisions of s. 66.1105 (4m) (ae) 3.

10   3. The 25 percent vacant land limitation for a tax incremental district that is

11   not a district suitable for industrial sites, as described in s. 66.1105 (4) (gm) 1., does

12   not apply to a tax incremental district that is created under this subsection.".

13   **3.** Page 3, line 16: after that line insert:

1-3

1 "**SECTION 3m. Effective date.**

2 (1) This act takes effect on October 1, 2005, except that if this act is published

3 after August 1, 2005, this act takes effect on October 1, 2006.".

4 **(END)**