



## 2005 ASSEMBLY BILL 896

December 29, 2005 – Introduced by Representatives NELSON, BERCEAU, ZEPNICK, SHERIDAN, STASKUNAS, FIELDS and MOLEPSKE, cosponsored by Senator ROESSLER. Referred to Committee on Ways and Means.

1     **AN ACT to amend** 66.1106 (1) (i) and 66.1106 (2) (b) of the statutes; **relating to:**  
2             expanding the maximum life and expenditure period for environmental  
3             remediation tax incremental financing districts.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the environmental remediation tax incremental financing program permits a city, village, town, or county (political subdivision) to defray the costs of remediating contaminated property that is owned by the political subdivision. The mechanism for financing costs that are eligible for remediation is very similar to the mechanism under the tax incremental financing (TIF) program. If the remediated property is transferred to another person and is then subject to property taxation, environmental remediation tax incremental financing may be used to allocate some of the property taxes that are levied on the property to the political subdivision to pay for the costs of remediation.

A political subdivision that has incurred “eligible costs” to remediate environmental pollution on a parcel of property may apply to the Department of Revenue (DOR) to certify the “environmental remediation tax incremental base” of the parcel. DOR is required to certify the environmental remediation tax incremental base if the political subdivision submits to DOR all of the following: 1) a statement that the political subdivision has incurred some eligible costs, together with a detailed proposed remedial action plan approved by the Department of Natural Resources (DNR) that contains cost estimates for anticipated eligible costs, a schedule for the design and implementation that is needed to complete the

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remediation, and certification from DNR that it has approved the site investigation report that relates to the parcel; 2) a statement that all taxing jurisdictions with authority to levy general property taxes on the parcel of property have been notified that the political subdivision intends to recover its environmental remediation costs by using an “environmental remediation tax increment”; and 3) a statement that the political subdivision has attempted to recover its environmental remediation costs from the person who is responsible for the environmental pollution that is being remediated.

Currently, the maximum life of an environmental remediation tax incremental district (ERTID) is 16 years, which is the maximum allowable “period of certification.” The period of certification is defined as the sooner of either a period beginning after DOR certifies the environmental remediation tax incremental base of a parcel of property or a period before all eligible costs have been paid. Also under current law, no expenditure for an eligible cost may be made by a political subdivision later than 15 years after the environmental remediation tax incremental base is certified by DOR.

This bill increases the maximum allowable period of certification to 27 years, and the maximum expenditure period to 20 years. This bill takes effect on October 1, 2006, and first applies to an ERTID that is in existence or that is created on that date.

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

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

1           **SECTION 1.** 66.1106 (1) (i) of the statutes is amended to read:

2           66.1106 (1) (i) “Period of certification” means a period of not more than ~~16~~ 27  
3 years beginning after the department certifies the environmental remediation tax  
4 incremental base of a parcel of property under sub. (4) or a period before all eligible  
5 costs have been paid, whichever occurs first.

6           **SECTION 2.** 66.1106 (2) (b) of the statutes is amended to read:

7           66.1106 (2) (b) No expenditure for an eligible cost may be made by a political  
8 subdivision later than ~~15~~ 20 years after the environmental remediation tax  
9 incremental base is certified by the department under sub. (4).

10           **SECTION 3. Initial applicability.**

