

2007 DRAFTING REQUEST

Senate Amendment (SA-SB332)

Received: **12/03/2007**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Roger Breske (608) 266-2509**

By/Representing: **Beth**

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: **Sen.Breske@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Tax incremental district (TID) number 6 in the city of Rhinelander.

Instructions:

See Attached. Change date from July to April

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 12/03/2007	bkraft 12/03/2007	nmatzke 12/03/2007	_____	sbasford 12/04/2007	sbasford 12/04/2007	

FE Sent For:

<END>

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1/1 MES 12/3/07

FE Sent For:

<END>

Shovers, Marc

From: Piliouras, Elizabeth
Sent: Monday, December 03, 2007 2:38 PM
To: Shovers, Marc
Subject: FW: Village of Crivitz amendment to SB 332

Hi Marc:

Can you draft a second amendment based on the information below to SB332? The hearing is Wednesday, so if you could rush it, I'd appreciate it.

Thanks!
Beth

From: Gates-Hendrix, Sherrie L - DOR [mailto:Sherrie.GatesHendrix@revenue.wi.gov]
Sent: Monday, December 03, 2007 2:29 PM
To: Piliouras, Elizabeth
Cc: Plakus, Susan - DOR
Subject: RE: Village of Crivitz amendment to SB 332

Hi Beth -- I just spoke with Susan and confirmed that the only additional change she recommends is that the phrase "based on actions taken by the common council in July 2006" should be changed to "based on the actions taken by the common council in April 2006."

Based on the information provided to DOR by the City of Rhinelander so far, Susan believes SB 332 with the amendments should accomplish what the City is looking for.

thanks

Sherrie

From: Plakus, Susan - DOR
Sent: Monday, December 03, 2007 2:13 PM
To: Gates-Hendrix, Sherrie L - DOR
Subject: FW: Village of Crivitz amendment to SB 332

Sherrie:

FYI - please respond. Thank you

Susan M. Plakus
Community Services Specialist, Senior
Tax Incremental Financing
Bureau of Property Tax, MS 6-97
PO Box 8971 Madison, WI 53708-8971
608-261-5335 608-264-6897 - fax

12/03/2007

<http://www.revenue.wi.gov/>

From: Piliouras, Elizabeth [mailto:Elizabeth.Piliouras@legis.wisconsin.gov]
Sent: Monday, December 03, 2007 1:58 PM
To: Gibbon, Judie A - DOR
Cc: Plakus, Susan - DOR; Shields, Scott R - DOR; Davis, Daniel A - DOR; Gerstner, Jean L - DOR
Subject: RE: Village of Crivitz amendment to SB 332

Hi Judie and Susan:

Do you have the final numbers for a second amendment to SB332 that I can give the drafter?

Thanks!

Beth

From: Gibbon, Judie A - DOR [mailto:Judie.Gibbon@revenue.wi.gov]
Sent: Friday, November 23, 2007 8:37 AM
To: Piliouras, Elizabeth
Cc: Plakus, Susan - DOR; Shields, Scott R - DOR; Davis, Daniel A - DOR; Gerstner, Jean L - DOR
Subject: Village of Crivitz amendment to SB 332

Beth,

Susan and I were both out of the office on Wednesday and of course, Thursday. I hope you had a good Thanksgiving. I did get a chance to talk to Susan about Crivitz on Tuesday. This does not appear to be similar to Rhinelander. An amendment would not be germane to SB332 and may, in fact, jeopardize the original bill. Here's my logic.

Per notes that Susan had from a phone call with Crivitz on Nov. 13, 2007, some of the key points:

- Clerk asked about annexation, the timeline and how the 12% value limit was calculated.
- Susan told her that annexation needed to be done prior to creation - not sure that it's done yet, is it? When did they pass the resolution? Without these particular facts, it's difficult to craft legislation to exempt specifics when the data is not known. Rhinelander has completed the actions necessary to create a TID, although, as of Tuesday, we had not yet received the application. Without application review, it's impossible to determine all the specific problems that may arise and address all of them with the exception legislation.
- The clerk had been told (by I'm not sure who) that the 12% value limit was the maximum amount of territory being added. This is not true. The Wis. Stats. states that the current total increment of any active TID's plus the additional property cannot exceed 12%. As of August 15, 2007, The Village of Crivitz was at 11.15%. That means that they are with .85% of the maximum value. They can use the 2007 values until 8/15/08 when the new values are released, but the amendment values would be based on the 1/1/08 values. Basically they cannot add more than \$600,000 worth of 1/1/2008 equalized value to be within the 12% value limits. Will the development have occurred prior to 1/1/08 or after that time?
- The clerk then stated that they will have a problem since the amount being added is over 12%. If that's true, they would not only exceed the value limits by a small portion, but over 24% of the village would be in the TID. The property tax implications of that to the citizens of Crivitz and the surrounding overlying taxing jurisdictions could be excessive compared to the threshold that the legislature felt was adequate and the taxpayer risk that should be taken.
- If this development is going to happen anyway, then the "but for" clause of TIF would be mute. Wis. Stats. 66.1105 require the municipality and the Joint Review Board to make findings that "but for" these eligible TID project costs this development would not occur. If the community only wants to capture the development without analyzing the risk and value added, I believe this is contrary to 66.1105 Wis. Stats. and legislative intent.

12/03/2007

We have developed numerous publications and Frequently Asked Questions that may be helpful to you or the Village. They can be found at: <http://www.revenue.wi.gov/faqs/slf/tif10.pdf> ; <http://www.revenue.wi.gov/pubs/slf/pe-212.pdf> ; and timeline at - <http://www.revenue.wi.gov/forms/govtif/pe-221.pdf>.

I believe there are many unanswered questions that need to be addressed prior to legislation being introduced in the Crivitz situation. If you or the village would like to discuss this further or have more information, please feel free to give me or Susan a call. I will be back in the office on Monday, Nov. 26th at 266-8131 or can be reached today if you need to talk to me at 608-935-9399.

Thanks again for contacting us throughout your process. We appreciate being able to discuss this prior to legislation being introduced.

Sincerely,
Judie Gibbon, Assistant Equalization Section Chief
Bureau of Property Tax
State and Local Finance
(608) 266-8131
Fax (608) 264-6897
judie.gibbon@revenue.wi.gov

From: Piliouras, Elizabeth [mailto:Elizabeth.Piliouras@legis.wisconsin.gov]
Sent: Tuesday, November 20, 2007 3:22 PM
To: Plakus, Susan - DOR
Subject: Crivitz TID

Hi Susan:
It's my understanding that:

1. The Village of Crivitz recently annexed some property.
2. A developer is looking at developing some this property and the Village would like to capture this economic development.
3. The Village's current TIF is very close to the 12% cap under the 2007 numbers.
4. They may be able to amend the TID and still stay under 12% if they use the 2007 numbers, but the 2008 numbers would make it impossible.
5. The deadline to do this was September 30.
6. They weren't aware that they would like to amend the TID by September 30th. (They're not blaming the DOR at all, it's just a circumstance).
7. This sounds similar to the exemptions Roger's proposing for Rhinelander.
8. It's my 'bad' for not sending you the draft to re-review before introducing it. I'll have the drafter work on an amendment.
9. Given the need for speed, if you think it's germane to SB332, amending it to include Crivitz might be the best way to go.

Let me know what you think.

Beth



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBa0942/1
MES:.....

bk

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RMR

SENATE AMENDMENT,
TO 2007 SENATE BILL 332

bhv

WANTED
Tues. A.M.



- 1 At the locations indicated, amend the bill as follows:
- 2 1. Page 2, line 4: delete "July" and substitute "April".
- 3 (END)