

2007 DRAFTING REQUEST

Bill

Received: **04/18/2007**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Scott Newcomer (608) 266-3007**

By/Representing: **Rep. Newcomer**

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

Drafter: **mshovers**

May Contact: **Ed Huck or Eric in
Rep. Newcomer's
office.**

Addl. Drafters:

Subject: **Local Gov't - tax incr financing**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Newcomer@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Authorize expenditures outside a tax incremental district (TID) with joint review board approval

Instructions:

Similar to Kenosha TID law (see s. 66.1105 (6) (d) and (2) (f) 1. m.), but draft a similar provision that applies to all TIDs, but joint review board approval is needed to make such expenditures. See attached.

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>
/?							S&L
/1	mshovers 05/02/2007	bkraft 05/11/2007	rschluet 05/11/2007		sbasford 05/11/2007	lparisi 06/06/2007	

FE Sent For: "/1" @ intro. 6-14-2007

2007 DRAFTING REQUEST

Bill

Received: **04/18/2007**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Scott Newcomer (608) 266-3007**

By/Representing: **Rep. Newcomer**

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

Drafter: **mshovers**

May Contact: **Ed Huck or Eric in
Rep. Newcomers's
office.**

Addl. Drafters:

Subject: **Local Gov't - tax incr financing**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Newcomer@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Authorize expenditures outside a tax incremental district (TID) with joint review board approval

Instructions:

Similar to Kenosha TID law (see s. 66.1105 (6) (d) and (2) (f) 1. m.), but draft a similar provision that applies to all TIDs, but joint review board approval is needed to make such expenditures. See attached.

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>
/?							S&L
/1	mshovers 05/02/2007	bkraft 05/11/2007	rschluet 05/11/2007		sbasford 05/11/2007		

FE Sent For:

2007 DRAFTING REQUEST

Bill

Received: 04/18/2007

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Scott Newcomer (608) 266-3007

By/Representing: Rep. Newcomer

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact: Ed Huck or Eric in Rep. Newcomer's office.

Addl. Drafters:

Subject: Local Gov't - tax incr financing

Extra Copies:

Submit via email: YES

Requester's email: Rep.Newcomer@legis.wisconsin.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Authorize expenditures outside a tax incremental district (TID) with joint review board approval

Instructions:

Similar to Kenosha TID law (see s. 66.1105 (6) (d) and (2) (f) 1. m.), but draft a similar provision that applies to all TIDs, but joint review board approval is needed to make such expenditures. See attached.

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	1 bjk 5/11					
11 NES	5/2/07	11 ECF 5/10					

FE Sent For:

Handwritten signature and initials (mshovers, bjk, ECF, JF) with dates.

<END>

Eric - Rep. Newcomer

wed 3:30 19 North
4/18

Ed Huck, Amy, ^{WHEEA}

new bill

similar to Kenosha TIF ~~law~~ law
that allows expenditures outside of
TID -

But all expenditures must be
approved by joint review board



by the project plan for a district, and if at the time the construction, alteration, rebuilding or expansion begins there are improvements of the kinds named in this subdivision on the land outside the district in respect to which the costs are to be incurred.

L. Costs for the removal, or containment, of lead contamination in buildings or infrastructure if the city declares that such lead contamination is a public health concern.

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.

2. Notwithstanding subd. 1., none of the following may be included as project costs for any tax incremental district for which a project plan is approved on or after July 31, 1981:

a. The cost of constructing or expanding administrative buildings, police and fire buildings, libraries, community and recreational buildings and school buildings, unless the administrative buildings, police and fire buildings, libraries and community and recreational buildings were damaged or destroyed before January 1, 1997, by a natural disaster.

b. The cost of constructing or expanding any facility, if the city generally finances similar facilities only with utility user fees.

c. General government operating expenses, unrelated to the planning or development of a tax incremental district.

d. Cash grants made by the city to owners, lessees, or developers of land that is located within the tax incremental district unless the grant recipient has signed a development agreement with the city, a copy of which shall be sent to the appropriate joint review board or, if that joint review board has been dissolved, retained by the city in the official records for that tax incremental district.

3. Notwithstanding subd. 1., project costs may include any expenditures made or estimated to be made or monetary obligations incurred or estimated to be incurred by the city for newly platted residential development only for any tax incremental district for which a project plan is approved before September 30, 1995, or for a mixed-use development tax incremental district to which one of the following applies:

a. The density of the residential housing is at least 3 units per acre.

b. The residential housing is located in a conservation subdivision, as defined in s. 66.1027 (1) (a).

c. The residential housing is located in a traditional neighborhood development, as defined in s. 66.1027 (1) (c).

(g) "Project plan" means the properly approved plan for the development or redevelopment of a tax incremental district, including all properly approved amendments thereto.

(h) "Real property" has the meaning prescribed in s. 70.03.

(i) "Tax increment" means that amount obtained by multiplying the total county, city, school and other local general property taxes levied on all taxable property within a tax incremental district in a year by a fraction having as a numerator the value increment for that year in the district and as a denominator that year's equalized value of all taxable property in the district. In any year, a tax increment is "positive" if the value increment is positive; it is "negative" if the value increment is negative.

(j) "Tax incremental base" means the aggregate value, as equalized by the department of revenue, of all taxable property located within a tax incremental district on the date as of which the district is created, determined as provided in sub. (5) (b). The base of districts created before October 1, 1980, does not include the value of property exempted under s. 70.111 (17).

(k) "Tax incremental district" means a contiguous geographic area within a city defined and created by resolution of the local legislative body, consisting solely of whole units of property as are assessed for general property tax purposes, other than railroad rights-of-way, rivers or highways. Railroad rights-of-way, riv-

ers or highways may be included in a tax incremental district only if they are continuously bounded on either side, or on both sides, by whole units of property as are assessed for general property tax purposes which are in the tax incremental district. "Tax incremental district" does not include any area identified as a wetland on a map under s. 23.32.

(L) "Taxable property" means all real and personal taxable property located in a tax incremental district.

(m) "Value increment" means the equalized value of all taxable property in a tax incremental district in any year minus the tax incremental base. In any year "value increment" is positive if the tax incremental base is less than the aggregate value of taxable property as equalized by the department of revenue; it is negative if that base exceeds that aggregate value.

(3) POWERS OF CITIES. In addition to any other powers conferred by law, a city may exercise any powers necessary and convenient to carry out the purposes of this section, including the power to:

(a) Create tax incremental districts and define the boundaries of the districts;

(b) Cause project plans to be prepared, approve the plans, and implement the provisions and effectuate the purposes of the plans;

(c) Issue tax incremental bonds and notes;

(d) Deposit moneys into the special fund of any tax incremental district; or

(e) Enter into any contracts or agreements, including agreements with bondholders, determined by the local legislative body to be necessary or convenient to implement the provisions and effectuate the purposes of project plans. The contracts or agreements may include conditions, restrictions, or covenants which either run with the land or which otherwise regulate the use of land.

(f) Designate, by ordinance or resolution, the local housing authority, the local redevelopment authority, or both jointly, or the local community development authority, as agent of the city, to perform all acts, except the development of the master plan of the city, which are otherwise performed by the planning commission under this section and s. 66.1337.

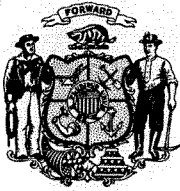
(g) Create a standing joint review board that may remain in existence for the entire time that any tax incremental district exists in the city. All of the provisions that apply to a joint review board that is convened under sub. (4m) (a) apply to a standing joint review board that is created under this paragraph. A city may disband a joint review board that is created under this paragraph at any time.

(4) CREATION OF TAX INCREMENTAL DISTRICTS AND APPROVAL OF PROJECT PLANS. In order to implement the provisions of this section, the following steps and plans are required:

(a) Holding of a public hearing by the planning commission at which interested parties are afforded a reasonable opportunity to express their views on the proposed creation of a tax incremental district and the proposed boundaries of the district. Notice of the hearing shall be published as a class 2 notice, under ch. 985. Before publication, a copy of the notice shall be sent by first class mail to the chief executive officer or administrator of all local governmental entities having the power to levy taxes on property located within the proposed district and to the school board of any school district which includes property located within the proposed district. For a county with no chief executive officer or administrator, notice shall be sent to the county board chairperson.

(b) Designation by the planning commission of the boundaries of a tax incremental district recommended by it and submission of the recommendation to the local legislative body.

(c) Identification of the specific property to be included under par. (gm) 4. as blighted or in need of rehabilitation or conservation work. Owners of the property identified shall be notified of the proposed finding and the date of the hearing to be held under par. (e) at least 15 days prior to the date of the hearing. In cities with a redevelopment authority under s. 66.1333, the notification



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-2623/7

MES.....

bj/k
k/f RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

2007 Bill

SA ✓
X-ref ✓

gen cat

- 1 AN ACT ...; relating to: expanding the area in which a tax incremental district's
- 2 project costs may be expended.

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. Currently, and subject to a number of conditions, towns have some limited authority to create TIDs. 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, approval of the city's or village's proposed TID by a joint review board that consists of members who represent the overlying taxation districts, and adoption of a resolution by the common council or village board that creates the TID as of a date provided in the resolution. Currently a planning commission may adopt an amendment to a project plan, which requires the approval of the common council or village board, and the joint review board, as well as the same findings that current law requires for the creation of a new TID.

Also under current law, once a TID has been created a city or village makes the initial expenditures for the project costs of the TID. These costs include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs;

and professional service costs. If the value of the property in the TID increases due to the development in the TID, the city's or village's project costs are paid back from the property taxes generated by the increased value of property in the TID. Currently, with one exception that applies to the area within a one-half mile radius of a TID in the city of Kenosha, project cost expenditures may be made only within the boundaries of the TID.

This bill authorizes a city or village, other than Kenosha, to make or incur an expenditure for a project cost in an area that is within a radius of up to one-half mile of the TID's boundaries, provided that the city's or village's proposed expenditure is approved by the joint review board.

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:

INS
2-1

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

2 66.1105 (2) (f) 1. n. With regard to a tax incremental district that is located
3 anywhere other than a city to which sub. (6) (d) applies, and subject to sub. (4m) (d),
4 project costs incurred for territory that is located within a one-half mile radius of the
5 district's boundaries.

INS
2-5

6 SECTION 2. 66.1105 (4m) (a) of the statutes is amended to read:

7 66.1105 (4m) (a) Any city that seeks to create a tax incremental district or,
8 amend a project plan, or ~~make or incur project costs as~~ ^{described} authorized in sub. (2) (f) 1.
9 n. for an area that is outside of a district's boundaries, shall convene a temporary
10 joint review board under this paragraph, or a standing joint review board under sub.
11 (3) (g), to review the proposal. Except as provided in par. (am), and subject to par.
12 (ae), the board shall consist of one representative chosen by the school district that
13 has power to levy taxes on the property within the tax incremental district, one
14 representative chosen by the technical college district that has power to levy taxes
15 on the property within the tax incremental district, one representative chosen by the

1 county that has power to levy taxes on the property within the tax incremental
 2 district, one representative chosen by the city, and one public member. If more than
 3 one school district, more than one union high school district, more than one
 4 elementary school district, more than one technical college district or more than one
 5 county has the power to levy taxes on the property within the tax incremental
 6 district, the unit in which is located property of the tax incremental district that has
 7 the greatest value shall choose that representative to the board. The public member
 8 and the board's chairperson shall be selected by a majority of the other board
 9 members before the public hearing under sub. (4) (a) or (h) 1. is held. All board
 10 members shall be appointed and the first board meeting held within 14 days after
 11 the notice is published under sub. (4) (a) or (h) 1. Additional meetings of the board
 12 shall be held upon the call of any member. The city that seeks to create the tax
 13 incremental district ^{LPS; check} or to, amend its project plan, or make or incur an expenditure
 14 as described in sub. (2) (f) 1. n. for an area that is outside of a district's boundaries shall provide administrative
 15 support for the board. By majority vote, the board may disband following approval
 16 or rejection of the proposal, unless the board is a standing board that is created by
 17 the city under sub. (3) (g).

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, 436; 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. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385.

18 **SECTION 3. 66.1105 (4m) (d) of the statutes is created to read:**

19 **66.1105 (4m) (d)** Before a city may make or incur an expenditure for project
 20 costs, as ^{described} ~~authorized~~ in sub. (2) (f) 1. n., for an area that is outside of a district's
 21 boundaries, the joint review board must approve the proposed expenditure.

22 (END)

X ✓

INS 2-1

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

66.1105 (2) (f) 1. (intro.) "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 subds. 1. k. ~~and~~ 1. m., ^{and l. n.} without the district, plus any incidental costs, diminished by any income, special assessments, or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received by the city in connection with the implementation of the plan. For any tax incremental district for which a project plan is approved on or after July 31, 1981, only a proportionate share of the costs permitted under this subdivision may be included as project costs to the extent 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:

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. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385.

INS 2-5

X ✓

Section #. 66.1105 (4) (f) of the statutes is amended to read:

66.1105 (4) (f) Adoption by the planning commission of a project plan for each tax incremental district and submission of the plan to the local legislative body. The plan shall include a statement listing the kind, number and location of all proposed public works or improvements within the district or, to the extent provided in sub. (2) (f) 1. k. ^{and l. n.} outside the district, an economic feasibility study, a detailed list of estimated project costs, and a description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred. The plan shall also include a map showing existing uses and conditions of real property in the district; a map showing proposed improvements and uses in the district; proposed changes of zoning ordinances, master plan, if any, map, building codes and city ordinances; a list of estimated nonproject costs; and a statement of the proposed method for the relocation of any persons to be displaced. The plan shall indicate how creation of the tax incremental district promotes the orderly development of the city. The city shall include in the plan an opinion of the city attorney or of an attorney retained by the city advising whether the plan is complete and complies with this section.

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. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385.

Parisi, Lori

From: Knight, Eric
Sent: Wednesday, June 06, 2007 12:45 PM
To: LRB.Legal
Subject: Draft Review: LRB 07-2623/1 Topic: Authorize expenditures outside a tax incremental district (TID) with joint review board approval

RUSH Please
Please Jacket LRB 07-2623/1 for the ASSEMBLY.