

**2009 DRAFTING REQUEST**

**Bill**

Received: 11/03/2009

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: **Kim Hixson (608) 266-9650**

By/Representing: **john**

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

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Property - other**

Extra Copies:

Submit via email: **YES**

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

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Increase the 2009 equalized valuation for the City of Milton

---

**Instructions:**

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>
/?				_____			Local
/1	jkreye 11/03/2009	csicilia 11/04/2009	phenry 11/04/2009	_____	sbasford 11/04/2009	cduerst 11/05/2009	

FE Sent For: *"/1" @ intro. 11/5/09*

<END>

**2009 DRAFTING REQUEST**

**Bill**

Received: 11/03/2009

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Kim Hixson (608) 266-9650

By/Representing: john

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Property - other

Extra Copies:

Submit via email: YES

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

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Increase the 2009 equalized valuation for the City of Milton

---

**Instructions:**

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>
/?				_____			Local
/1	jkreye 11/03/2009	csicilia 11/04/2009	phenry 11/04/2009	_____	sbasford 11/04/2009		

FE Sent For:

<END>

**2009 DRAFTING REQUEST**

**Bill**

Received: 11/03/2009

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Kim Hixson (608) 266-9650**

By/Representing: **john**

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

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Property - other**

Extra Copies:

Submit via email: **YES**

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

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Increase the 2009 equalized valuation for the City of Milton

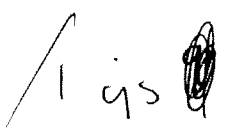

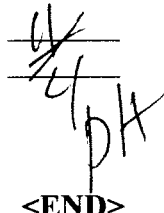
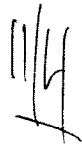

---

**Instructions:**

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?	jkreye			 <END>			
FE Sent For:							
							

## Kreye, Joseph

---

**From:** Olin, Rick  
**Sent:** Tuesday, November 03, 2009 4:08 PM  
**To:** Kreye, Joseph  
**Cc:** Vander Meer, John  
**Subject:** Milton Fix

Hi Joe:

Per our discussion, please draft this as a bill for Representative Hixson. John Vander Meer is the contact in his office. He would like to introduce this on Thursday, so I'm sure he would appreciate your expediting this.

### *Nonstatutory Change*

- 1. The Department of Revenue shall increase the 2009 equalized valuation, exclusive of any value increments in tax increment districts, for the City of Milton by \$31,610,400 and shall decrease the 2009 value increment of tax increment district #8 in the City of Milton by a corresponding amount.*
- 2. The Department of Revenue shall increase the 2009 equalized valuations, exclusive of any value increments in tax increment districts, for Rock County, the School District of Milton, and the Blackhawk Technical College District by \$31,610,400.*
- 3. The Department of Revenue shall re-apportion the 2009 tax levies of Rock County, the School District of Milton, and the Blackhawk Technical College District based on the valuations determined under 2. to those jurisdictions' underlying taxation districts and certify those amounts for inclusion on the 2009 tax roll in place of any amounts previously determined.*

Rick Olin, Fiscal Analyst  
Wisconsin Legislative Fiscal Bureau  
(608) 266-3847

## Kreye, Joseph

---

**From:** Olin, Rick  
**Sent:** Tuesday, November 03, 2009 4:26 PM  
**To:** Shields, Scott R - DOR  
**Cc:** Kreye, Joseph  
**Subject:** Thanks and Question

Scott:  
Thanks for sending me the background information on Milton. I am attaching the drafting instructions I submitted to Joe Kreye at the LRB. After reading the attachments in your email, should we be using an adjustment of \$31,610,400 or \$15,805,200? Again, please be aware that the current legislative floorperiod ends on Thursday. Thanks,  
Rick  
267-7597

### Nonstatutory Change

1. The Department of Revenue shall increase the 2009 equalized valuation, exclusive of any value increments in tax increment districts, for the City of Milton by \$31,610,400 and shall decrease the 2009 value increment of tax increment district #8 in the City of Milton by a corresponding amount.
2. The Department of Revenue shall increase the 2009 equalized valuations, exclusive of any value increments in tax increment districts, for Rock County, the School District of Milton, and the Blackhawk Technical College District by \$31,610,400.
3. The Department of Revenue shall re-apportion the 2009 tax levies of Rock County, the School District of Milton, and the Blackhawk Technical College District based on the valuations determined under 2. to those jurisdictions' underlying taxation districts and certify those amounts for inclusion on the 2009 tax roll in place of any amounts previously determined.



State of Wisconsin • DEPARTMENT OF REVENUE  
DIVISION OF STATE AND LOCAL FINANCE

BUREAU OF PROPERTY TAX  
Southern District Office  
2135 Rimrock Road, G-301  
Madison, Wisconsin  
PHONE (608) 268-8184 • FAX (608) 287-1355

SEND MAIL TO: P.O. Box 8909  
Madison, WI 53708-8909

September 24, 2009

Nancy Zastrow  
Clerk – City of Milton  
430 East High Street, Suite 3  
Milton, WI 53563-1579

Dear Ms. Zastrow:

The purpose of this letter is to provide information regarding the City of Milton's Tax Incremental Finance District (TID) #8. Specifically, as a result of a November 12, 2008, TID Report from the municipal Assessor, the Department of Revenue (DOR) was required to make a correction to the 2009 value for TID #8. The following describes the circumstances that prompted this correction while outlining the statutory correction process.

In 2008, the assessor submitted an estimated TID report on June 4, 2008, and a final submission on November 12, 2008. The final submission indicated a territory amendment, along with other increases in value in the TID. The territory amendment was displayed in Column 1 of the report which adds value to the TID. This amendment was actually the start up numbers for the TID and should not have been placed in Column 1, but rather should have been placed in the "Assessed Values Column". Therefore, DOR had to make an adjustment to correct the value of the TID. The TID was overvalued by \$15,805,200. An adjustment was made to add the value of \$15,805,200 to 2008 and 2009, and will need to be subtracted out of the TID in 2010 in the amount of -\$31,610,400. Enclosed is a detailed worksheet, indicating how the value was determined.

Please be aware that these numbers are an estimate since the municipal Assessor has not submitted a corrected 2008 TID report or a final 2009 TID report. The estimated values on the 2009 report could also affect the increment given. Therefore, we request that the City's Assessor submit a corrected 2008 TID report and a Final 2009 TID Report so that the Base Value will be correct for 2010.

The valuation correction process specified in sec. 70.57, Wis. Stats., will be used in 2010 to adjust for the overstatement of the TID increment value in 2008 and 2009. The correction process under sec. 70.57, Wis. Stats., is designed to make the district whole over a two year adjustment period. Specifically, TID #8's increment value will need to be adjusted -\$15,805,200 for 2008 and -\$15,805,200 for 2009 before receiving another positive increment. This adjustment ensures taxpayers are made whole since the 2009 apportionment values were based upon the incorrect 2008 TID #8 increment value. It is important to note that if TID #8 has minimal 2010 growth due to adjustments such as new construction, the 2010 TID increment value may be zero and result in no 2010 TID funds. TID #8's 2011 increment value may be impacted by the correction process if the 2010 increment does not fully overcome the -\$31,610,400 compensation.

The two enclosures provide the following details:

- Statement of Changes in TID Value – provides TID #1 Base Value, Current Value, and Increment Value as reported for 2008.
- 2008 TID #8 Values (Should Have Been vs. Reported) – provides details on the overstated TID Base Value, Current Value, and Increment Value.

Nancy Zastrow  
September 24, 2009  
Page Two

Please consider this correction process when planning the use of the 2009, 2010, and 2011 TID funds. Specifically, the 2009 TID funds will be inflated due to the overvaluation, 2010 and 2011 TID funds will in all likelihood be non-existent due to the correction process.

Todd Schmidt, City Administrator, had mentioned concerns with the local tax impact. Questions relating to the tax impact or the levy limit calculation are best directed to Sue Nelson or Stan Hook at (608) 266-8618 within DOR's Local Government Services Section.

I hope you find the information helpful, feel free to contact me with additional questions or concerns.

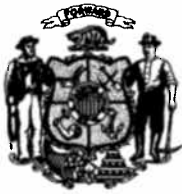
Sincerely:



Reed S. Johnson  
Supervisor of Equalization, Southern District

Enclosures

cc: Todd Schmidt, City Administrator, City of Milton, 430 E. High Street, Suite 3, Milton, WI 53563  
Scott Shields, Equalization Section Chief, Wisconsin Department of Revenue - Madison  
Jill Frazier, Property Assessment Specialist, Wisconsin Department of Revenue - Madison  
Assessor Lee DeGroot, Accurate Appraisal, PO Box 415, Menasha, WI 54952  
Stan Hook, Local Government Services, Wisconsin Department of Revenue - Madison



cjs

2009 BILL

due  
Wed AM 10-4-09

Gen Cat

incremental

1 AN ACT...; relating to: correcting the 2009 equalized valuation of property in the  
2 City of Milton.

**Analysis by the Legislative Reference Bureau**

This bill corrects the 2009 equalized valuation of the property in the City of Milton by increasing that valuation, not including any value increments in tax increment districts, by \$31,610,400 and decreasing the 2009 value increment of tax increment district number 8 in the City of Milton by a corresponding amount.

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

Incremental

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

3 **SECTION 1. Nonstatutory provisions.**

4 (1) EQUALIZED VALUATION CORRECTION FOR THE CITY OF MILTON. (a) The  
5 Department of Revenue shall increase the 2009 equalized valuation, as determined  
6 under section 70.57 of the statutes, exclusive of any value increments in tax  
7 al increment districts, for the City of Milton by \$31,610,400 and shall decrease the 2009



**BILL**

**SECTION 1**

1 value increment of tax increment <sup>al</sup> district number 8 in the ~~City~~ of Milton by a  
 2 corresponding amount. create autoref (X)

3 (b) The Department of Revenue shall increase the 2009 equalized valuations,  
 4 as determined under section 70.57<sup>✓</sup> of the statutes, exclusive of any value increments  
 5 in tax increment<sup>al</sup> districts, for Rock County, the school district of Milton, and the  
 6 Blackhawk Technical College District by \$31,610,400.

7 (c) The Department of Revenue shall reapportion the 2009 property tax levies  
 8 of Rock County, the school district of Milton, and the Blackhawk Technical College  
 9 District based on the valuations determined under par. (b) to the appropriate  
 10 taxation districts and certify those amounts for inclusion on the 2009 tax roll in place  
 11 of any amounts previously determined. use autoref (X)

12 (END)

## Kreye, Joseph

---

**From:** Shields, Scott R - DOR [Scott.Shields@revenue.wi.gov]  
**Sent:** Wednesday, November 04, 2009 8:37 AM  
**To:** Olin, Rick  
**Cc:** Kreye, Joseph  
**Subject:** RE: Thanks and Question

Good morning Rick,

As you know DOR has certified the 2009 equalized values for all districts. Any errors in the 2009 values are corrected in 2010 under sec. 70.57, Wis. Stats.

In response to your question, please understand that the 2009 equalized value for the City of Milton **is correct**. What is in error is the City's 2009 TID value, which impacts the 2009 "TID Out" value used for apportionment purposes. In order to correct the 2009 TID Value a reduction of \$31,610,400 would be required. A corresponding positive adjustment would result to the 2009 "TID Out" of \$31,610,400.

- Current 2009 City of Milton TID Increment = \$69,876,900 (<http://www.revenue.wi.gov/equ/09tifrep.pdf>)
  - Corrected = \$38,266,500
- Current 2009 City of Milton County Apportionment = \$304,585,700 (<http://www.revenue.wi.gov/equ/09coapprt.pdf>)
  - Corrected = \$336,196,100
- Current 2009 City of Milton Equalized = \$374,462,600 (<http://www.revenue.wi.gov/equ/2009/stroc.pdf>)
  - No change = \$374,462,600

Please note that DOR certified the equalized values in August and the School District, Special District, and Technical College values in October.

- The numbers have been applied to many statutory and non-statutory uses that include the budgeting process for Municipalities, Counties, School Districts, Special Districts, and Technical Colleges.
- Such processes are why sec. 70.57, Wis. Stats., specifies the correction process for the subsequent year.
- Any change to the 2009 values now circumvents these processes and sets an ill-advised precedent that is contrary to current law.

Feel free to contact me with any questions.

Thank you.

---

**From:** Olin, Rick [mailto:Rick.Olin@legis.wisconsin.gov]  
**Sent:** Tuesday, November 03, 2009 4:26 PM  
**To:** Shields, Scott R - DOR  
**Cc:** Kreye, Joseph - LEGIS  
**Subject:** Thanks and Question

Scott:

Thanks for sending me the background information on Milton. I am attaching the drafting instructions I submitted to Joe Kreye at the LRB. After reading the attachments in your email, should we be using an adjustment of \$31,610,400 or \$15,805,200? Again, please be aware that the current legislative floorperiod ends on Thursday. Thanks,  
Rick  
267-7597

### Nonstatutory Change

1. The Department of Revenue shall increase the 2009 equalized valuation, exclusive of any value increments in tax increment districts, for the City of Milton by \$31,610,400 and shall decrease the 2009 value increment of tax increment district #8 in the City of Milton by a corresponding amount.

*The Department of Revenue shall decrease the 2009 City of Milton's tax increment district #8 value by \$31,610,400.*

2: The Department of Revenue shall increase the 2009 equalized valuations, exclusive of any value increments in tax increment districts, for Rock County, the School District of Milton, and the Blackhawk Technical College District by \$31,610,400.

*The Department of Revenue shall increase the 2009 equalized value reduced by the tax increment district increment for Rock County, the School District of Milton, and the Blackhawk Technical College District by \$31,610,400.*

3. The Department of Revenue shall re-apportion the 2009 tax levies of Rock County, the School District of Milton, and the Blackhawk Technical College District based on the valuations determined under 2. to those jurisdictions' underlying taxation districts and certify those amounts for inclusion on the 2009 tax roll in place of any amounts previously determined.

*I checked with Stan Hook in our Local Government Services Section and DOR does not apportion the tax levies. DOR certifies the values for each. I am not sure that this clause would be needed for the correction process.*

---

CONFIDENTIALITY NOTICE: This electronic mail transmission and any accompanying documents contain information belonging to the sender which may be confidential and legally privileged. This information is only for the use of the individual or entity to whom this electronic mail transmission was intended. If you are not the intended recipient, any disclosure, copying, distribution, or action taken in reliance on the contents of the information contained in this transmission is strictly prohibited. If you have received this transmission in error, please immediately contact the sender and delete the message. Thank you.

**Duerst, Christina**

---

**From:** Vander Meer, John  
**Sent:** Thursday, November 05, 2009 10:24 AM  
**To:** LRB.Legal  
**Cc:** Adrian, Scott; Inabnet, Kay  
**Subject:** RE: RUSH -- Could we get this jacketed as soon as possible?  
**Attachments:** 09-37991.pdf

To whom it concerns:

Rep. Hixson would like this bill jacketed as soon as possible.

-- JVM

---

**John J. Vander Meer**

*Research Assistant, Office of State Representative Kim Hixson  
Committee Clerk, Assembly Committee on Colleges and Universities*  
Phone: (608) 266-9650  
E-mail: [john.vandermeer@legis.wi.gov](mailto:john.vandermeer@legis.wi.gov)