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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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<b>2009 Assembly Bill 611</b>	<b>Assembly Amendment 2</b>
<i>Memo published: March 11, 2010</i>	<i>Contact: Melissa Schmidt, Staff Attorney (266-2298)</i>

### Current Law

Under Tax Incremental Financing (TIF) law, a city or village may not create a Tax Incremental District (TID) if one or more TIDs contain more than 12% of the total equalized property value of the city or village. Also, when the Department of Revenue (DOR) reviews the city or village's TID application to determine whether a municipality has created a TID that exceeds this 12% limit, DOR double counts the equalized property value of any parcel of land located in both the new TID and an existing TID.

A Joint Review Board is required under current law to review a TID project plan and to approve or deny the creation of the TID. The board is required to notice its meetings according to ch. 19, Stats., as its meetings are subject to open meetings laws. TIF law does not direct a Joint Review Board to give legal notice governed under ch. 985, Stats., like it does for planning commissions.

A city or village, under current law, must submit certain forms to create or amend a TID by December 31 of the same year in which the TID is created or the amendments are to take affect.

Current law requires a city, village, or town to pay an annual administrative fee of \$150 to DOR no later than May 15.

### 2009 Assembly Bill 611

**2009 Assembly Bill 611** (hereinafter, "the bill") makes the following changes to current TIF law:

- Creates the following two options for a city or village when DOR determines a newly created TID exceeds the 12% limit, such that the city or village shall do one of the following:
  - Rescind its approval of the TID's project plan.

- Notify DOR that the county board has approved of the TID's creation even though the TID exceeds the 12% limit.
- Directs DOR, when determining whether a new TID complies with the 12% test, to exclude any parcel of land in a newly created TID that is already located in an existing TID (such that the property is not double-counted).
- Directs the Joint Review Board to publish legal notice of all meetings as a class 2 notice, governed under ch. 985, Stats.
- Changes the deadline for a city or village to submit certain TID creation or amendment forms to DOR from December 31 to October 31.
- Prohibits DOR from authorizing the allocation of tax increments if the city, village, or town does not pay the annual administrative fee by May 15.

### **Assembly Amendment 2**

*Assembly Amendment 2* (AA2) makes the following changes to the bill:

- Removes the option for a county board to approve a TID that exceeds the 12% limit, and creates an additional option, such that when DOR has determined a city or village created a TID in excess of the 12% limit, the city or village shall do one of the following:
  - Rescind its approval of the TID's project plan.
  - Remove parcels of land from the TID so that the TID complies with the 12% limit, as long as the amendment does not substantially alter the project plan. Also, the TID creation application must be resubmitted to DOR within 30 days.
- Changes the class of legal notice that a Joint Review Board must publish its meetings to a class 1 notice.

### **Legislative History**

On March 10, 2010, the Assembly Committee on Urban and Local Affairs introduced AA2 as a committee amendment by unanimous consent and adopted it by a vote of Ayes, 7; Noes, 0; Absent, 2. The committee then voted to recommend the bill, as amended, by a vote of Ayes, 7; Noes, 0; Absent, 2.

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