



2009 SENATE BILL 131

March 24, 2009 – Introduced by Senator PLALE, cosponsored by Representatives MASON, TURNER, RICHARDS, ZEPNICK and MOLEPSKE JR.. Referred to Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue.

1 **AN ACT to amend** 66.1106 (1) (i), 66.1106 (7) (a) and 66.1106 (11) (a); and **to**
2 **create** 66.1106 (2) (c) and 66.1106 (7) (e) of the statutes; **relating to:**
3 authorizing the cities of Cudahy and Oak Creek to use environmental
4 remediation tax increments generated by one environmental tax incremental
5 district to benefit another environmental remediation tax incremental district.

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 recoup the costs of remediating contaminated property from property taxes that are levied on the remediated property. The mechanism for financing remediation costs is very similar to the mechanism for financing project costs under the tax incremental financing (TIF) program.

Initially, the governing body of a political subdivision adopts a resolution creating an environmental remediation tax incremental district (ERTID) with particular boundaries. This resolution is then reviewed by a joint review board made up of representatives of the overlying taxing jurisdictions. If the joint review board approves the ERTID, 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

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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 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. Thereafter, the political subdivision that created the ERTID may use positive environmental remediation tax increments to pay eligible costs of remediating environmental pollution in the ERTID.

Currently, the maximum life of an ERTID is 23 years and 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. Alternately, an ERTID must terminate before its 23 year maximum life span if a political subdivision receives sufficient environmental remediation tax increments to cover all of its eligible costs.

This bill allows ERTID number one in the city of Cudahy and ERTID number one in the city of Oak Creek to continue generating environmental remediation tax increments after all of the eligible costs for each ERTID have been recovered. These increments would be applied, respectively, to ERTID number two in the city of Cudahy and an ERTID yet to be created in the city of Oak Creek. ERTID number one in the city of Cudahy and ERTID number one in the city of Oak Creek would each terminate 23 years after creation or once the eligible costs for the recipient ERTID has been recovered, whichever occurs sooner.

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:

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 23 years
3 beginning after the department certifies the environmental remediation tax
4 incremental base under sub. (4) ~~or~~, a period before all eligible costs have been paid,
5 or a period before all eligible costs of a recipient district designated under sub. (2) (c)
6 have been paid, whichever occurs first.

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1 **SECTION 2.** 66.1106 (2) (c) of the statutes is created to read:

2 66.1106 (2) (c) Notwithstanding par. (a) or sub. (7) (d) 1. or (11) (a), after the
3 date on which an environmental remediation tax incremental district has received
4 aggregate environmental remediation tax increments with respect to the district in
5 an amount equal to the aggregate of all eligible costs, but not later than the date on
6 which the environmental remediation tax incremental district terminates under
7 sub. (11) (b), the governing body of a political subdivision may adopt a resolution
8 requesting that the department allocate positive environmental remediation tax
9 increments generated by that donor environmental remediation tax incremental
10 district to pay the eligible costs of another environmental remediation tax
11 incremental district created by that governing body, if any of the following apply:

12 1. The environmental remediation tax increments are generated by
13 environmental remediation tax incremental district number one in the city of
14 Cudahy to benefit environmental remediation tax incremental district number two
15 in the city of Cudahy.

16 2. The environmental remediation tax increments are generated by
17 environmental remediation tax incremental district number one in the city of Oak
18 Creek to benefit another environmental remediation tax incremental district that is
19 located within the city of Oak Creek.

20 **SECTION 3.** 66.1106 (7) (a) of the statutes is amended to read:

21 66.1106 (7) (a) Subject to pars. (b), ~~(c) and (d)~~ to (e), the department shall
22 annually authorize the positive environmental remediation tax increment with
23 respect to a parcel or contiguous parcels of property during the period of certification
24 to the political subdivision that incurred the costs to remediate environmental

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1 pollution on the property, except that an authorization granted under this paragraph
2 does not apply after the department receives the notice described under sub. (10) (b).

3 **SECTION 4.** 66.1106 (7) (e) of the statutes is created to read:

4 66.1106 (7) (e) If the governing body of a political subdivision adopts a
5 resolution described in sub. (2) (c), it shall provide a copy of the resolution to the
6 department. The department shall authorize a positive environmental remediation
7 tax increment generated by a donor district, as described in sub. (2) (c) 1. or 2., to the
8 political subdivision which incurred eligible costs to remediate environmental
9 pollution on another district within that political subdivision, as described in sub. (2)
10 (c) 1. or 2., until the earlier of the following occurs:

11 1. The political subdivision has received aggregate environmental remediation
12 tax increments with respect to the recipient district in an amount equal to the
13 aggregated of all of the eligible costs for that district.

14 2. The donor district terminates under sub. (11) (b).

15 **SECTION 5.** 66.1106 (11) (a) of the statutes is amended to read:

16 66.1106 (11) (a) The Except as provided in sub. (2) (c), the political subdivision
17 has received aggregate environmental remediation tax increments with respect to
18 the district in an amount equal to the aggregate of all eligible costs.

19 (END)