

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

date

LRB-1856/√dn P3
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Representative Weininger:

This version of the bill contains 2 of the 3 items we discussed on Monday. I'm still not sure what you want drafted to address the third issue you raised, namely your request that participating municipalities should be able to decide how to apportion the tax increments that are distributed by DOR. Would you like created s. 66.1105 (6) (ag) changed?

I think DOR suggested this provision, as it currently appears in the draft, so that tax increments are distributed only to cities whose part of the MJTID have a positive value increment, in addition to requiring that the overall MJTID must have a positive value increment. Am I correct that you would like to modify or delete this provision and simply allow the participating cities to decide how to distribute the tax increments generated by the MJTID, while still requiring that the overall MJTID must have a positive value increment? If the cities are unable to determine how to distribute the tax increments, would you like DOR to distribute the tax increments to each part of the MJTID based on the positive value increment generated by that part of the district, sort of like the current provision? I believe that this is the last unresolved issue in the draft.

Marc E. Shovers
Managing Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov

**2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

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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, towns and counties also have a limited ability to create a TID under certain circumstances. 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.

Also under current law, once a TID has been created, the Department of Revenue (DOR) calculates the "tax incremental base" value of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a "value increment" is created. That portion of taxes collected on the value increment in excess of the base value is called a "tax increment." The tax increment is placed in a special fund that may be used only to pay back the project costs of the TID. The costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. DOR authorizes the allocation of the tax increments until the TID terminates or, generally, 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created. Under certain circumstances, the life of the TID and the allocation period may be extended.

Under current law, a planning commission may adopt an amendment to a project plan, which requires the approval of the common council or village board and the same findings that current law requires for the creation of a new TID. Current law also authorizes the amendment of a project plan up to four times during a TID's existence to change the district's boundaries by adding or subtracting territory.

Currently, before a TID may be created or its project plan amended, the city or village must adopt a resolution containing a finding that the equalized value of taxable property of the TID plus the value increment of all existing TIDs does not exceed 12 percent of the total equalized value of taxable property in the city or village (the "12 percent test"), subject to one exception. Under the exception, a city or village may simultaneously create a new TID and subtract territory from an existing TID without adopting a resolution containing the 12 percent test if the city or village demonstrates to DOR that the value of the territory that is subtracted at least equals the amount that DOR believes is necessary to ensure that, when the new TID is



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* created, the 12^{percent} test is met. The city or village must also certify to DOR that no other district created under this exception currently exists in the city or village.

Under certain limited circumstances, a TID that has paid off all of its project costs but has not reached its mandatory termination date may become a donor TID, continue to receive tax increments, and forward those increments to a recipient TID created by the same city or village.

This bill authorizes any number of cities and villages (municipalities) to jointly create a multijurisdictional TID (MJTID). To create a MJTID, municipalities must enter into an intergovernmental cooperation agreement to create the MJTID. The agreement must specify a number of things, including the proposed membership of the joint review board; a binding procedure to resolve disputes; a description of the responsibilities of each municipality's clerk, treasurer, and assessor; specification of a lead municipality for purposes of completing and submitting required documents; and procedures that will be followed to amend the project plan or boundaries of the MJTID. A copy of the agreement must be sent to DOR.

* With regard to an MJTID, the district must be contiguous, its borders must contain territory in all municipalities that are a party to the agreement, and at least one parcel in each municipality must touch at least one parcel in at least one of the other municipalities. The agreement must specify that the MJTID's application to DOR will be submitted to the department as one complete application and that the MJTID will terminate at one time as a single entity.

Generally under the bill, the current law provisions that apply to all TIDs apply to MJTIDs. There are, however, a number of provisions that apply only to MJTIDs, including the following:

1. A MJTID may not become a donor TID or receive tax increments from a donor TID.

2. ~~Each component of the MJTID, meaning each part of the district that is located in a particular municipality, must meet the 12 percent test.~~

3. DOR may allocate positive tax increments to each participating municipality only to the extent that the municipality's component of the MJTID has generated a positive value increment.

4. Each participating municipality may appoint one public member to the joint review board.

5. Generally, each school district, union high school district, elementary school district, technical college district, and county that may levy taxes on the property within the MJTID may select a representative to the joint review board unless the unit of government's governing body opts out of this authority.

6. Besides the generally required joint review board majority vote to approve the creation of a TID or the amendment of its project plan, all representatives of a participating municipality must be in the majority that votes for such approvals for a MJTID.

* 7. A MJTID may not incur project costs for an area that is outside the boundaries of the MJTID.

* This bill grants DOR the authority to require each participating municipality to submit any forms prescribed by the department without regard to whether a

does not apply to any municipality that participates in a MJTID

Towns may also participate in a MJTID but at least one of the other participating municipalities must be a city or village.

DOR



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* particular municipality is the lead municipality or what the agreement specifies as the responsibility of a particular municipality. DOR is also authorized to resolve any ambiguity regarding the creation, amendment, administration, and termination of a MJTID and may use the agreement as a guide to resolving the ambiguity.

Generally, DOR may impose only one \$1,000 fee, as authorized under current law, for determining or redetermining the tax incremental base of a MJTID no matter how many participating municipalities are part of the district, although the department may charge each participating municipality the \$150 annual administrative fee. (end ins anl)

DOR

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SECTION 1. 66.1105 (4) (gm) 3. of the statutes is amended to read:

66.1105 (4) (gm) 3. Assigns a name to the district for identification purposes.

* The first district created shall be known as "Tax Incremental District Number One, City of ..." and the first district created under sub. (18) shall be known as "Multijurisdictional District Number One, City of ...". Each subsequently created district shall be assigned the next consecutive number.

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; 2007 a. 2, 10, 21, 41, 43, 57, 73, 96; 2009 a. 5, 28, 67, 170, 176, 310, 312; 2011 a. 12.

(end ins 1-6)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1856/P3dn
MES:jld:rs

May 13, 2011

Representative Weininger:

This version of the bill contains 2 of the 3 items we discussed on Monday. I'm still not sure what you want drafted to address the third issue you raised, namely your request that participating municipalities should be able to decide how to apportion the tax increments that are distributed by DOR. Would you like created s. 66.1105 (6) (ag) changed?

I think DOR suggested this provision, as it currently appears in the draft, so that tax increments are distributed only to cities whose part of the MJTID have a positive value increment, in addition to requiring that the overall MJTID must have a positive value increment. Am I correct that you would like to modify or delete this provision and simply allow the participating cities to decide how to distribute the tax increments generated by the MJTID, while still requiring that the overall MJTID must have a positive value increment? If the cities are unable to determine how to distribute the tax increments, would you like DOR to distribute the tax increments to each part of the MJTID based on the positive value increment generated by that part of the district, sort of like the current provision? I believe that this is the last unresolved issue in the draft.

Marc E. Shovers
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Multi-jurisdictional Tax Incremental Financing Issues

May 13, 2011

The following questions pertain to selected issues regarding the proposal to authorize multi-jurisdictional TIDs as would be allowed under LRB draft 1856/p2 (or a subsequent draft if DOR technical comments of May 2nd or other changes have already been sent to the LRB).

1. How should MJ-TIDs be treated for the "12% test" whereby a TID may not be created if the base value of the proposed TID plus the value increment of existing TIDs in a municipality exceed 12% of the municipality's value?

Recommendation: Allow for the 12% test for a MJTID to be calculated on the aggregate of the municipalities involved – but require all overlying jurisdictions for any "municipal piece" to explicitly concur with the creation of the MJTID if that "municipal piece" exceeds the 12% test on a "by municipality" basis.

Details -- Except as provided in the paragraph below, an MJTID may be created if the 12% test is met in aggregate across all of the municipalities involved. Under this approach, the creation of the MJTID may push one or more participating municipalities over the 12% limit provided that the 12% limit is not exceeded when the existing value increments across all participating municipalities plus the base value of the proposed MJTID is less than 12% of the sum of the equalized values of all participating municipalities.

Exception -- If the creation of the MJTID pushes any individual municipality over the 12% limit, then the MJTID may only be created with the concurrence of all of the overlying jurisdictions of that particular "municipal piece". Allow either the passage of a resolution by jurisdiction's governing body or the jurisdiction's approving vote on the joint review board as evidence of the jurisdiction's concurrence, which must be submitted to DOR. (This provision ensures approval of the proposal by all overlying jurisdictions where the 12% limit is exceeded on a "by municipality" basis. As currently drafted, this concurrence is not guaranteed because the MJTID's joint review board takes action by majority vote rather than unanimous consent.)

2. Can a MJTID overlap an existing TID and can any subsequently created TID overlap an existing MJTID?

~~Option A: Allow a newly established MJTID to overlap existing TIDs. However, prohibit any subsequently created TID from overlapping any established MJTID. This prohibition would avoid inhibiting the growth of the value increment of the MJTID and limit the potential for competition among the participating municipalities subsequent to the intergovernmental cooperation agreement required to create the MJTID.~~

Option B: Allow a newly established MJTID to overlap existing TIDs. Allow a TID created at a later date to overlap an existing MJTID only:

- a) if approved by resolution of the governing body of all of the participating municipalities AND
- b) if also approved by a majority vote of the MJTID's joint review board.

Compared to Option A, Option B allows greater flexibility while maintaining the "veto" power of participating cities and villages and the "veto" power of a majority the overlying jurisdictions of the MJTID (that have chosen to be joint review board members).

Shovers, Marc

From: Weininger, Chad
Sent: Thursday, May 26, 2011 10:19 AM
To: Shovers, Marc
Subject: RE: MJ TID Legislation

The dissolution should be required to be in the dispute resolution. That way, when the cities negotiate the binding dispute resolution, they need to address how, and under what circumstances can they dissolve the TID, so they are aware of the possible issues. I think that would be the cleanest way to deal with it.

From: Shovers, Marc
Sent: Thursday, May 26, 2011 10:03 AM
To: Weininger, Chad
Subject: RE: MJ TID Legislation

Do you mean that a dissolution procedure should be one of the elements contained in the agreement, as I discussed in my earlier email?

Marc

From: Weininger, Chad
Sent: Thursday, May 26, 2011 10:00 AM
To: Shovers, Marc
Cc: Weininger, Chad
Subject: RE: MJ TID Legislation

Marc, lets just add that the dissolution must be included in the dispute resolution. Thanks. Chad

From: Weininger, Chad
Sent: Wednesday, May 25, 2011 4:53 PM
To: Shovers, Marc
Subject: RE: MJ TID Legislation

Marc, please use.... passage of a resolution by jurisdiction's governing body. I'll work out the other issue in a few hours. Thanks again. Chad

From: Shovers, Marc
Sent: Wednesday, May 25, 2011 4:41 PM
To: Weininger, Chad
Cc: Sortwell, Shae
Subject: RE: MJ TID Legislation

Hello Rep. Weininger:

Thanks for addressing the issues I've raised. I have one question about one of DOR's issues, and a comment about the question you asked in one of the responses you've provided.

In item one of DOR's memo, the department suggests 2 ways for overlying taxation jurisdictions to

demonstrate their approval of one of the municipalities "violating" the 12% rule. Which one would you like drafted? The DOR memo states, in part:

Allow either the **passage of a resolution by jurisdiction's governing body** or the jurisdiction's approving vote on the joint review board as evidence of the jurisdiction's concurrence, which must be submitted to DOR.

Would you like each overlapping taxation district to be required to adopt a resolution approving a muni going over the 12% limit, or just the positive vote of that jurisdiction's representative on the joint review board?

As to your other issue, concerning a city's ability to dissolve the MJTID:

How about, a City may opt out of the MJTID but the MJ TID continues without their portion. Basically, one of the muinis is worried that one of the other munis might not keep up their end of the bargain regardless of the dispute resolution, and wants to have some lever to ensure they do. The other option would be to require a dissolution language in the dispute resolution, and then they would have to write out how they would dissolve a MJ TID. Any thought?

DOR may be in a better position to evaluate the problems with one muni being allowed to opt out, but I think it could still be a big problem for the remaining municipalities. What if 4 cities create a MJTID, and the City of XYZ has 50% of the land in the TID, but the City of ABC has spent more money on project costs than XYZ. If XYZ opts out, it would severely diminish the amount of tax increments generated, which could be a problem for City ABC, as well as the other 2 remaining cities.

I don't think that the city which is concerned about another city not keeping its bargain needs to worry that it will be worse off without an opt out provision. To create a MJTID, the cities enter into an intergovernmental cooperation agreement under s. 66.0301 that is a legally binding contract. The bill requires that the agreement contain a "binding dispute resolution procedure." Binding means binding.

If one city doesn't agree with the binding terms of the dispute resolution procedure and fails to follow an arbitrator's ruling, for example, it would certainly be sued by the other participating municipalities. In the example above, with cities XYZ and ABC, even if XYZ is allowed to opt out, I would imagine that ABC, and possibly the other cities, would still sue because they would all be on the hook to get their project costs paid back, and there would be a lot fewer tax increments available because city XYZ represents so much of the MJTID's land.

I think that if things go badly there will be a lawsuit either way, but that allowing an opt out may result in more problems. You may want to discuss this further with DOR. I can draft it whatever way you'd like, but it seems to me that allowing an opt out could lead to more problems than not allowing an opt out.

Your other suggestion, requiring the agreement to contain a dissolution procedure that spells out the distribution of assets and liabilities, could work but it might not be viable unless the dissolution procedure required all of the participating munis to agree on premature dissolution.

The key thing to keep in mind is that the agreement, which contains the binding dispute resolution procedure, is a legally enforceable contract.

Again, just let me know how you'd like me to draft this provision once you decide how you'd like to proceed. Thanks.

Marc

From: Weininger, Chad
Sent: Wednesday, May 25, 2011 3:02 PM
To: Shovers, Marc; Wagner, Michael W - DOR
Subject: RE: MJ TID Legislation

Thanks Marc,

Below are my comments in Green. Thanks Again. Chad

Hello Rep. Weininger:

Yes, I think that we should be able to get you an introducible bill this week that contains the changes you've requested, but there are several outstanding issues you need to resolve before I can draft anything. If all of these issues are addressed quickly and they will not require a lot of new drafting, getting the bill to you by Friday should work.

The memo from DOR requests 2 changes, but each change has 2 options and I need to know which option you would like me to draft.

In item one of DOR's memo, the department suggests 2 ways for overlying taxation jurisdictions to demonstrate their approval. Which one would you like drafted? The DOR memo states, in part:

Allow either the passage of a resolution by jurisdiction's governing body or the jurisdiction's approving vote on the joint review board as evidence of the jurisdiction's concurrence, which must be submitted to DOR.

Item 2 of DOR's memo lays out 2 options with regard to overlapping jurisdictions. Would you like DOR's option A or option B drafted? overlying taxation jurisdictions **Option B**

Your email states that the bill should state that "MJ TIDs are effective after June of 2012". Do you mean that you'd like the bill to take effect on July 1, 2012? Was this DOR's suggestion, because DOR usually suggests that TID bills take effect on October 1 of a year.

October 1, 2012

Your email also states that "that a city may dissolve the MJ TID by resolution if the dispute resolution does not work." Do you mean that one city may dissolve a MJTID even if, for example, the 3 other cities participating in a 4 city MJTID want the TID to continue? What happens if the TID is dissolved and its project costs are not paid? Who would be responsible? There would be no further tax increments generated if there's no MJTID, so how would the other 3 cities have their project costs paid? The project costs

may include bond principal and interest costs. Has DOR addressed this issue?

How about, a City may opt out of the MJTID but the MJ TID continues without their portion. Basically, one of the muinis is worried that one of the other munis might not keep up their end of the bargain regardless of the dispute resolution, and wants to have some lever to ensure they do. The other option would be to require a dissolution language in the dispute resolution, and then they would have to write out how they would dissolve a MJ TID. Any thought?

Finally, there is the unresolved issues from my drafter's note on the last version of the bill, relating to the apportionment of positive tax increments. How would you like this issue resolved? Is s. 66.1105 (6) (ag), as drafted and as I believe DOR suggested, OK, or would you like it changed? The drafter's note states the following:

This version of the bill contains 2 of the 3 items we discussed on Monday. I'm still not sure what you want drafted to address the third issue you raised, namely your request that participating municipalities should be able to decide how to apportion the tax increments that are distributed by DOR. Would you like created s. 66.1105 (6) (ag) changed?

I think DOR suggested this provision, as it currently appears in the draft, so that tax increments are distributed only to cities whose part of the MJTID have a positive value increment, in addition to requiring that the overall MJTID must have a positive value increment. Am I correct that you would like to modify or delete this provision and simply allow the participating cities to decide how to distribute the tax increments generated by the MJTID, while still requiring that the overall MJTID must have a positive value increment? If the cities are unable to determine how to distribute the tax increments, would you like DOR to distribute the tax increments to each part of the MJTID based on the positive value increment generated by that part of the district, sort of like the current provision? I believe that this is the last unresolved issue in the draft.

No Change. Leave As Drafted.

As soon as these questions are answered I'll have a better idea of what is needed to complete the draft. As I say, if there's not too much new drafting, I should be able to get this to you by Friday. Thanks for your help.

Marc

Marc E. Shovers

Managing Attorney
Legislative Reference Bureau
Phone: (608-266-0129)
E-Mail: marc.shovers@legis.wisconsin.gov

From: Weininger, Chad
Sent: Wednesday, May 25, 2011 9:00 AM
To: Shovers, Marc; Wagner, Michael W - DOR
Cc: Smith, Ryan; Jablonski, Jack - DOR; Ziegler, Paul D - DOR
Subject: MJ TID Legislation

Marc and Michael,

Again, thank you for your help!

Marc, can you please add the attached document to the bill draft.

Please also add the following two items: MJ TIDs are affective after June of 2012, and that a city may dissolve the MJ TID by resolution if the dispute resolution does not work.

Michael, your changes are good. I just want to make sure that the 12% over doesn't count for area within the MJ TID, and that municipalities can go up to 12% outside the MJ TID. I'm fine with any option on the TID overlap.

Thanks for all your help. I would still like to introduce this on Monday.

<< File: MJTID issues - 12% test & overlying 5-12-11.doc >>

P.S. I cc:ed Ryan Smith from Senator Cowles office on the email. Please make sure he is cc:ed on any correspondence regarding MJ-TIDs.

Shovers, Marc

From: Sortwell, Shae
Sent: Friday, May 20, 2011 12:57 PM
To: Shovers, Marc
Subject: FW: Multi Jurisdictional TID Bill

Attachments: MJTID issues - 12% test & overlying 5-12-11.doc

Please update our bill.

Thank you

*Wisconsin State Legislature
4th Assembly District
Post Office Box 8953
Madison, Wisconsin 54708
Toll Free 1-888-534-0004
Office 608-266-5840
Home 920-544-3500*

From: Weininger, Chad
Sent: Friday, May 20, 2011 11:52 AM
To: Weininger, Chad
Cc: Sortwell, Shae
Subject: Multi Jurisdictional TID Bill

Attached is a document created by DOR to address the remaining concerns raised at the last MJ-TID meeting at Advanced on May 6th. I think there may be a few more minor changes needed, and I would still like to talk with the Ashwaubenon Village President to receive more feedback. Please review and let me know what you think. After this section is taken care of, I'll forward you the new bill with the changes. Again, thank you for your help! Chad



MJTID issues -
12% test & over...



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-1856/P3
MES:jld:rs

AMP

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

today

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[Signature]

1 AN ACT *to amend* 66.1105 (4) (gm) 3., 66.1105 (4) (gm) 4. c., 66.1105 (4m) (a),
2 66.1105 (4m) (ae), 66.1105 (4m) (b) 2. and 66.1105 (6) (a) (intro.); and *to create*
3 66.1105 (4m) (as), 66.1105 (6) (ag) and 66.1105 (18) of the statutes; **relating to:**
4 authorizing the creation of a multijurisdictional tax incremental financing
5 district. ✓

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, towns and counties also have a limited ability to create a TID under certain circumstances. 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.

Also under current law, once a TID has been created, the Department of Revenue (DOR) calculates the "tax incremental base" value of the TID, which is the

equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a "value increment" is created. That portion of taxes collected on the value increment in excess of the base value is called a "tax increment." The tax increment is placed in a special fund that may be used only to pay back the project costs of the TID. The costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. DOR authorizes the allocation of the tax increments until the TID terminates or, generally, 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created. Under certain circumstances, the life of the TID and the allocation period may be extended.

Under current law, a planning commission may adopt an amendment to a project plan, which requires the approval of the common council or village board and the same findings that current law requires for the creation of a new TID. Current law also authorizes the amendment of a project plan up to four times during a TID's existence to change the district's boundaries by adding or subtracting territory.

Currently, before a TID may be created or its project plan amended, the city or village must adopt a resolution containing a finding that the equalized value of taxable property of the TID plus the value increment of all existing TIDs does not exceed 12 percent of the total equalized value of taxable property in the city or village (the "12 percent test"), subject to one exception. Under the exception, a city or village may simultaneously create a new TID and subtract territory from an existing TID without adopting a resolution containing the 12 percent test if the city or village demonstrates to DOR that the value of the territory that is subtracted at least equals the amount that DOR believes is necessary to ensure that, when the new TID is created, the 12 percent test is met. The city or village must also certify to DOR that no other district created under this exception currently exists in the city or village.

Under certain limited circumstances, a TID that has paid off all of its project costs but has not reached its mandatory termination date may become a donor TID, continue to receive tax increments, and forward those increments to a recipient TID created by the same city or village.

This bill authorizes any number of cities and villages (municipalities) to jointly create a multijurisdictional TID (MJTID). Towns may also participate in a MJTID, but at least one of the other participating municipalities must be a city or village. To create a MJTID, municipalities must enter into an intergovernmental cooperation agreement to create the MJTID. The agreement must specify a number of things, including the proposed membership of the joint review board; a binding procedure to resolve disputes; a description of the responsibilities of each municipality's clerk, treasurer, and assessor; specification of a lead municipality for purposes of completing and submitting required documents; and procedures that will be followed to amend the project plan or boundaries of the MJTID. A copy of the agreement must be sent to DOR.

With regard to an MJTID, the district must be contiguous, its borders must contain territory in all municipalities that are a party to the agreement, and at least

NO # → a procedure to dissolve the MJTID before it would otherwise be required to terminate; ← semicolon

NO # limit for the part of the ~~MJTID~~ ^{that} ~~is~~ ^{is in that} municipality, provided all ~~of~~ ^{of the} ~~the~~ ^{overlying} ~~taxation~~ ^{taxation} districts agree to that municipality exceeding the 12 percent ^{limit}.

one parcel in each municipality must touch at least one parcel in at least one of the other municipalities. The agreement must specify that the MJTID's application to DOR will be submitted to DOR as one complete application and that the MJTID will terminate at one time as a single entity.

Generally under the bill, the current law provisions that apply to all TIDs apply to MJTIDs. There are, however, a number of provisions that apply only to MJTIDs, including the following:

1. A MJTID may not become a donor TID or receive tax increments from a donor TID.
2. The 12 percent test ~~applies to any municipality~~ ^{applies in the aggregate to the municipalities} that participates in a MJTID, but an individual participating municipality may exceed the 12 percent.
3. DOR may allocate positive tax increments to each participating municipality only to the extent that the municipality's component of the MJTID has generated a positive value increment.
4. Each participating municipality may appoint one public member to the joint review board.
5. Generally, each school district, union high school district, elementary school district, technical college district, and county that may levy taxes on the property within the MJTID may select a representative to the joint review board unless the unit of government's governing body opts out of this authority.
6. Besides the generally required joint review board majority vote to approve the creation of a TID or the amendment of its project plan, all representatives of a participating municipality must be in the majority that votes for such approvals for a MJTID.
7. A MJTID may not incur project costs for an area that is outside the boundaries of the MJTID.

This bill grants DOR the authority to require each participating municipality to submit any forms prescribed by DOR without regard to whether a particular municipality is the lead municipality or what the agreement specifies as the responsibility of a particular municipality. DOR is also authorized to resolve any ambiguity regarding the creation, amendment, administration, and termination of a MJTID and may use the agreement as a guide to resolving the ambiguity.

Generally, DOR may impose only one \$1,000 fee, as authorized under current law, for determining or redetermining the tax incremental base of a MJTID no matter how many participating municipalities are part of the district, although DOR may charge each participating municipality the \$150 annual administrative fee.

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. 66.1105 (4) (gm) 3. of the statutes is amended to read:

1 66.1105 (4) (gm) 3. Assigns a name to the district for identification purposes.
2 The first district created shall be known as "Tax Incremental District Number One,
3 City of" and the first district created under sub. (18) shall be known as
4 "Multijurisdictional District Number One, City of ...". Each subsequently created
5 district shall be assigned the next consecutive number.

6 **SECTION 2.** 66.1105 (4) (gm) 4. c. of the statutes is amended to read:

7 66.1105 (4) (gm) 4. c. Except as provided in subs. (10) (c) ~~and~~, (17), and (18) (c)
8 3., the equalized value of taxable property of the district plus the value increment of
9 all existing districts does not exceed 12 percent of the total equalized value of taxable
10 property within the city. In determining the equalized value of taxable property
11 under this subd. 4. c., the department of revenue shall base its calculations on the
12 most recent equalized value of taxable property of the district that is reported under
13 s. 70.57 (1m) before the date on which the resolution under this paragraph is
14 adopted. If the department of revenue determines that a local legislative body
15 exceeds the 12 percent limit described in this subd. 4. c., the department shall notify
16 the city of its noncompliance, in writing, not later than December 31 of the year in
17 which the department receives the completed application or amendment forms
18 described in sub. (5) (b).

19 **SECTION 3.** 66.1105 (4m) (a) of the statutes is amended to read:

20 66.1105 (4m) (a) Any city that seeks to create a tax incremental district, amend
21 a project plan, or incur project costs as described in sub. (2) (f) 1. n. for an area that
22 is outside of a district's boundaries, shall convene a temporary joint review board
23 under this paragraph, or a standing joint review board under sub. (3) (g), to review
24 the proposal. Except as provided in par. (am) and (as), and subject to par. (ae), the
25 board shall consist of one representative chosen by the school district that has power

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

21 **SECTION 4.** 66.1105 (4m) (ae) of the statutes is amended to read:

22 66.1105 (**4m**) (ae) 1. A representative chosen by a school district under par. (a)
23 ~~or~~, (am), or (as) shall be the president of the school board, or his or her designee. If
24 the school board president appoints a designee, he or she shall give preference to the

1 school district's finance director or another person with knowledge of local
2 government finances.

3 2. The representative chosen by the county under par. (a) or (as) shall be the
4 county executive or, if the county does not have a county executive, the chairperson
5 of the county board, or the executive's or chairperson's designee. If the county
6 executive or county board chairperson appoints a designee, he or she shall give
7 preference to the county treasurer or another person with knowledge of local
8 government finances.

9 3. The representative chosen by the city under par. (a) or (as) shall be the mayor,
10 or city manager, or his or her designee. If the mayor or city manager appoints a
11 designee, he or she shall give preference to the person in charge of administering the
12 city's economic development programs, the city treasurer, or another person with
13 knowledge of local government finances.

14 4. The representative chosen by the technical college district under par. (a) or
15 (as) shall be the district's director or his or her designee. If the technical college
16 district's director appoints a designee, he or she shall give preference to the district's
17 chief financial officer or another person with knowledge of local government
18 finances.

19 **SECTION 5.** 66.1105 (4m) (as) of the statutes is created to read:

20 66.1105 (4m) (as) With regard to a multijurisdictional tax incremental district
21 created under this section, all of the following apply:

22 1. Each participating city may appoint one public member to the joint review
23 board under par. (a).

24 2. If more than one school district, more than one union high school district,
25 more than one elementary school district, more than one technical college district,

1 or more than one county has the power to levy taxes on the property within the tax
2 incremental district, each such jurisdiction may select a representative to the joint
3 review board under par. (a), or 2 representatives as provided under par. (am), unless
4 the jurisdiction's governing body opts out of this authority by adopting a resolution
5 to that effect.

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

7 66.1105 **(4m)** (b) 2. Except as provided in subd. 2m., no tax incremental district
8 may be created and no project plan may be amended unless the board approves the
9 resolution adopted under sub. (4) (gm) or (h) 1. by a majority vote within 30 days after
10 receiving the resolution. With regard to a multijurisdictional tax incremental
11 district created under this section, each public member of a participating city must
12 be part of the majority that votes for approval of the resolution or the district may
13 not be created. The board may not approve the resolution under this subdivision
14 unless the board's approval contains a positive assertion that, in its judgment, the
15 development described in the documents the board has reviewed under subd. 1.
16 would not occur without the creation of a tax incremental district. The board may
17 not approve the resolution under this subdivision unless the board finds that, with
18 regard to a tax incremental district that is proposed to be created by a city under sub.
19 (17) (a), such a district would be the only existing district created under that
20 subsection by that city.

21 **SECTION 7.** 66.1105 (6) (a) (intro.) of the statutes is amended to read:

22 66.1105 **(6)** (a) (intro.) If the joint review board approves the creation of the tax
23 incremental district under sub. (4m), and subject to ~~par.~~ pars. (ae) and (ag), positive
24 tax increments with respect to a tax incremental district are allocated to the city
25 which created the district for each year commencing after the date when a project

1 plan is adopted under sub. (4) (g). The department of revenue may not authorize
 2 allocation of tax increments until it determines from timely evidence submitted by
 3 the city that each of the procedures and documents required under sub. (4) (d) to (f)
 4 has been completed and all related notices given in a timely manner. The
 5 department of revenue may authorize allocation of tax increments for any tax
 6 incremental district only if the city clerk and assessor annually submit to the
 7 department all required information on or before the 2nd Monday in June. The facts
 8 supporting any document adopted or action taken to comply with sub. (4) (d) to (f) are
 9 not subject to review by the department of revenue under this paragraph. After the
 10 allocation of tax increments is authorized, the department of revenue shall annually
 11 authorize allocation of the tax increment to the city that created the district until the
 12 soonest of the following events:

13 **SECTION 8.** 66.1105 (6) (ag) of the statutes is created to read:

14 66.1105 (6) (ag) With regard to a multijurisdictional tax incremental district,
 15 the department of revenue may allocate positive tax increments to each participating
 16 city only to the extent that a city's component of the district has generated a positive
 value increment.

17 **SECTION 9.** 66.1105 (18) of the statutes is created to read:

18 66.1105 (18) MULTIJURISDICTIONAL DISTRICTS. (a) *Requirements.* Two or more
 19 cities may enter into an intergovernmental cooperation agreement under s. 66.0301
 20 to jointly create a multijurisdictional tax incremental district under this section if all
 21 of the following apply:
 22

23 1. The district's borders contain territory in all of the cities that are a party to
 24 the agreement.

25 2. The district is contiguous.

IN 97 ✓
8/17
8/18

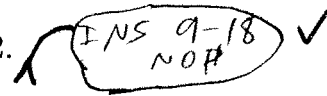
1 3. At least one parcel in each participating city touches at least one parcel in
2 at least one of the other cities.

3 (b) *Contents of an agreement.* The agreement described under par. (a) shall
4 contain provisions that specify at least all of the following with regard to the proposed
5 multijurisdictional tax incremental district:

6 1. A detailed description of how all of the participating cities will be able to
7 exercise the powers authorized under sub. (3) and meet the requirements under sub.
8 (4).

9 2. A detailed description of how determinations will be made that relate to
10 incurring debt, expending funds for project costs, and distributing positive tax
11 increments allocated by the department of revenue.

12 3. The extent to which one of the cities will be authorized by all of the other
13 participating cities to act on behalf of all of the participating cities on some or all
14 matters relating to the district.

15 4. A binding dispute resolution procedure to be used by the cities to resolve in
16 a timely fashion any disputes between the participating cities related to the
17 agreement or to the district, except that this procedure does not apply to any issue
18 resolved by the department of revenue under par. (d) 2. 

19 5. A detailed description of the proposed membership of the joint review board.

20 6. A detailed description of the responsibilities of each city's planning
21 commission, the membership and authority of the planning commission for the
22 district, and the operating procedures to be followed by the district's planning
23 commission.

24 7. A detailed description of the responsibilities of each city's clerk, treasurer,
25 assessor, and any other officer or official to carry out the requirements of this section,

1 and a detailed description of which clerk, treasurer, assessor, officer, or official will
2 be responsible for each task specified in this section.

3 8. Which city will be the lead city for purposes of completing any documents or
4 tasks that this section or the department of revenue require to be completed, which
5 city will be responsible for submitting the district's creation documents, and which
6 city will be responsible for submitting the district's project plan amendment
7 documents.

8 9. That all of the participating cities agree that the district's application will
9 be submitted in its entirety as one complete application by the lead city, as
10 determined by the department of revenue.

11 10. Consistent with the requirements of sub. (7), a statement that the entire
12 district will terminate at one time as a single entity and that the lead city shall
13 submit to the department of revenue all necessary notices and reports relating to the
14 termination of the district.

15 11. A detailed description of the procedures the participating cities will follow
16 to determine all of the following:

17 a. Whether the district's life may be extended under sub. (6) (g) 1. or (7) (am)
18 2. or 3.

19 b. How the project plan or boundaries of the district may be amended under
20 sub. (4) (h) 1. or 2.

21 12. A description of how any annexation costs incurred by a participating city
22 under s. 66.0219 (10) (a) 1. will be shared among all of the participating cities if the
23 annexed territory is part of the district.

1 (c) *Limitations.* 1. Notwithstanding the provisions under sub. (6) (d), (dm), (e),
2 or (f), a multijurisdictional tax incremental district may not become a donor district,
3 or receive tax increments from a donor district.

4 2. Notwithstanding the provisions under sub. (2) (f) 1. k., m., and n., a
5 multijurisdictional tax incremental district may not incur project costs for any area
6 that is outside of the district's boundaries.

7 3. The 12 percent limit findings requirement under sub. (4) (gm) 4. c. ~~do not~~
8 apply ~~to any city that is~~ ^{on an aggregate basis to all cities that are} part of a multijurisdictional district. ~~INS 11-8~~ ✓

9 ~~4. Notwithstanding sub. (10), the boundaries of a multijurisdictional tax~~
10 ~~incremental district may not overlap with any other district.~~

11 ~~4.5~~ 5. No town may be part of a multijurisdictional tax incremental district unless
12 at least one of the other participating municipalities is a city or village.

13 (d) *Role of the department of revenue.* 1. The department of revenue may
14 require each participating city to submit any forms prescribed by the department
15 without regard to whether a particular city is the lead city as described under par.
16 (b) 8. and without regard to the responsibility of each participating city as specified
17 in the agreement described under par. (a).

18 2. Consistent with the provisions of this section, the department of revenue
19 may resolve any ambiguity regarding the creation, amendment, administration, and
20 termination of a multijurisdictional tax incremental district. The department may
21 use the agreement described under par. (a) as a guide to the resolution of any such
22 ambiguity.

23 (e) *Miscellaneous provisions.* 1. A copy of the agreement described under par.
24 (a), as signed by all of the participating cities, shall be forwarded to the department
25 of revenue by the lead city as described under par. (b) 8.

1 2. Without regard to the number of participating cities in the
2 multijurisdictional tax incremental district, the department of revenue may impose
3 only one fee under sub. (5) (a) for each action taken by the department under that
4 paragraph for such a district. Unless the agreement under par. (a) provides
5 otherwise, the lead city as described under par. (b) 8. is responsible for any fees
6 imposed by the department under sub. (5) (a).

7 3. For a multijurisdictional tax incremental district, the department of revenue
8 may impose the annual administrative fee described in sub. (6) (ae) in the amount
9 specified in that paragraph, multiplied by the number of participating cities in that
10 district. The agreement under par. (a) may specify which participating city is
11 responsible for the annual fee although the lead city, as described under par. (b) 8.,
12 shall submit the annual fee to the department.

INS
12-12

→
(END)

2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1856/lins
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INS 8-17

SECTION 1. 66.1105 (10) (a) of the statutes is amended to read:

66.1105 (10) (a) Subject to any agreement with bondholders, and except as provided in par. (d), a tax incremental district may be created, the boundaries of which overlap one or more existing districts, except that districts created as of the same date may not have overlapping boundaries.

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; 2007 a. 2, 10, 21, 41, 43, 57, 73, 96; 2009 a. 5, 28, 67, 170, 176, 310, 312; 2011 s. 42.

SECTION 2. 66.1105 (10) (d) of the statutes is created to read:

66.1105 (10) (d) A proposed tax incremental district, the boundaries of which would overlap an existing multijurisdictional tax incremental district, may be created only if all of the following apply:

1. The creation is approved by a resolution adopted by the governing body of each of the multijurisdictional district's participating cities.
2. The creation is approved by a resolution adopted by the multijurisdictional district's joint review board. (end ins 8-17)

INS 9-18

~~NO~~ The dispute resolution procedure shall include a dissolution provision which allows all of the participating cities to agree to jointly dissolve the district at any time before a dispute is settled by the binding dispute resolution procedure and before the district would otherwise terminate under sub. (7). The dissolution provision shall describe in detail how and under what circumstances the district may be dissolved before it would otherwise terminate under sub. (7) and shall specify how the district's

assets, liabilities, and any other outstanding obligations will be distributed among
the the participating cities. ✓ (end ins 9-18)

INS 11-8

~~NO~~ except, for one or more of the participating cities in the multijurisdictional
district, the part of the district that is in an individual city may cause that city to
exceed the 12 percent limit ✓ if the governing bodies of all the taxation districts that
overlay that city adopt a resolution approving the creation of the district even though
that city exceeds the 12 percent limit ~~NO~~

INS 12-12

SECTION 3. Effective date.

(1) This act takes effect on October 1, 2012. ✓

for - 1856/2 - Rep. Weinger's change

(1) towns may not take part

(2) allow ord to charge ^{only the} muni

that fills out paperwork (lead muni) to \$150 annual charge



RMR

2011 BILL

today

repeal

X

1 **AN ACT to amend** 66.1105 (4) (gm) 3., 66.1105 (4) (gm) 4. c., 66.1105 (4m) (a),
 2 66.1105 (4m) (ae), 66.1105 (4m) (b) 2., 66.1105 (6) (a) (intro.) and 66.1105 (10)
 3 (a); and **to create** 66.1105 (4m) (as), 66.1105 (6) (ag), 66.1105 (10) (d) and
 4 66.1105 (18) of the statutes; **relating to:** authorizing the creation of a
 5 multijurisdictional tax incremental financing district. ✓

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, towns and counties also have a limited ability to create a TID under certain circumstances. 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.

Also under current law, once a TID has been created, the Department of Revenue (DOR) calculates the "tax incremental base" value of the TID, which is the

BILL

equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a "value increment" is created. That portion of taxes collected on the value increment in excess of the base value is called a "tax increment." The tax increment is placed in a special fund that may be used only to pay back the project costs of the TID. The costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs. DOR authorizes the allocation of the tax increments until the TID terminates or, generally, 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created. Under certain circumstances, the life of the TID and the allocation period may be extended.

Under current law, a planning commission may adopt an amendment to a project plan, which requires the approval of the common council or village board and the same findings that current law requires for the creation of a new TID. Current law also authorizes the amendment of a project plan up to four times during a TID's existence to change the district's boundaries by adding or subtracting territory.

Currently, before a TID may be created or its project plan amended, the city or village must adopt a resolution containing a finding that the equalized value of taxable property of the TID plus the value increment of all existing TIDs does not exceed 12 percent of the total equalized value of taxable property in the city or village (the "12 percent test"), subject to one exception. Under the exception, a city or village may simultaneously create a new TID and subtract territory from an existing TID without adopting a resolution containing the 12 percent test if the city or village demonstrates to DOR that the value of the territory that is subtracted at least equals the amount that DOR believes is necessary to ensure that, when the new TID is created, the 12 percent test is met. The city or village must also certify to DOR that no other district created under this exception currently exists in the city or village.

Under certain limited circumstances, a TID that has paid off all of its project costs but has not reached its mandatory termination date may become a donor TID, continue to receive tax increments, and forward those increments to a recipient TID created by the same city or village.

This bill authorizes any number of cities and villages (municipalities) to jointly create a multijurisdictional TID (MJTID). Towns may ^{not} participate in a MJTID.

~~but at least one of the other participating municipalities must be a city or village.~~

To create a MJTID, municipalities must enter into an intergovernmental cooperation agreement to create the MJTID. The agreement must specify a number of things, including the proposed membership of the joint review board; a binding procedure to resolve disputes; a procedure to dissolve the MJTID before it would otherwise be required to terminate; a description of the responsibilities of each municipality's clerk, treasurer, and assessor; specification of a lead municipality for purposes of completing and submitting required documents; and procedures that will be followed to amend the project plan or boundaries of the MJTID. A copy of the agreement must be sent to DOR.

BILL

With regard to an MJTID, the district must be contiguous, its borders must contain territory in all municipalities that are a party to the agreement, and at least one parcel in each municipality must touch at least one parcel in at least one of the other municipalities. The agreement must specify that the MJTID's application to DOR will be submitted to DOR as one complete application and that the MJTID will terminate at one time as a single entity.

Generally under the bill, the current law provisions that apply to all TIDs apply to MJTIDs. There are, however, a number of provisions that apply only to MJTIDs, including the following:

1. A MJTID may not become a donor TID or receive tax increments from a donor TID.

2. The 12 percent test applies in the aggregate to the municipalities that participate in a MJTID, but an individual participating municipality may exceed the 12 percent limit for the part of the MJTID that is in that municipality, provided all of the overlaying taxation districts agree to that municipality exceeding the 12 percent limit.

3. DOR may allocate positive tax increments to each participating municipality only to the extent that the municipality's component of the MJTID has generated a positive value increment.

4. Each participating municipality may appoint one public member to the joint review board.

5. Generally, each school district, union high school district, elementary school district, technical college district, and county that may levy taxes on the property within the MJTID may select a representative to the joint review board unless the unit of government's governing body opts out of this authority.

6. Besides the generally required joint review board majority vote to approve the creation of a TID or the amendment of its project plan, all representatives of a participating municipality must be in the majority that votes for such approvals for a MJTID.

7. A MJTID may not incur project costs for an area that is outside the boundaries of the MJTID.

This bill grants DOR the authority to require each participating municipality to submit any forms prescribed by DOR without regard to whether a particular municipality is the lead municipality or what the agreement specifies as the responsibility of a particular municipality. DOR is also authorized to resolve any ambiguity regarding the creation, amendment, administration, and termination of a MJTID and may use the agreement as a guide to resolving the ambiguity.

Generally, DOR may impose only one \$1,000 fee, as authorized under current law, for determining or redetermining the tax incremental base of a MJTID no matter how many participating municipalities are part of the district, ~~through~~ DOR may charge ~~each participating~~ municipality the \$150 annual administrative fee. ✓

only the lead

BILL

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.** 66.1105 (4) (gm) 3. of the statutes is amended to read:

2 66.1105 (4) (gm) 3. Assigns a name to the district for identification purposes.
3 The first district created shall be known as “Tax Incremental District Number One,
4 City of” and the first district created under sub. (18) shall be known as
5 “Multijurisdictional District Number One, City of ...”. Each subsequently created
6 district shall be assigned the next consecutive number.

7 **SECTION 2.** 66.1105 (4) (gm) 4. c. of the statutes is amended to read:

8 66.1105 (4) (gm) 4. c. Except as provided in subs. (10) (c) ~~and~~, and (18) (c)
9 3., the equalized value of taxable property of the district plus the value increment of
10 all existing districts does not exceed 12 percent of the total equalized value of taxable
11 property within the city. In determining the equalized value of taxable property
12 under this subd. 4. c., the department of revenue shall base its calculations on the
13 most recent equalized value of taxable property of the district that is reported under
14 s. 70.57 (1m) before the date on which the resolution under this paragraph is
15 adopted. If the department of revenue determines that a local legislative body
16 exceeds the 12 percent limit described in this subd. 4. c., the department shall notify
17 the city of its noncompliance, in writing, not later than December 31 of the year in
18 which the department receives the completed application or amendment forms
19 described in sub. (5) (b).

20 **SECTION 3.** 66.1105 (4m) (a) of the statutes is amended to read:

BILL

1 66.1105 (4m) (a) Any city that seeks to create a tax incremental district, amend
2 a project plan, or incur project costs as described in sub. (2) (f) 1. n. for an area that
3 is outside of a district's boundaries, shall convene a temporary joint review board
4 under this paragraph, or a standing joint review board under sub. (3) (g), to review
5 the proposal. Except as provided in par. (am) and (as), and subject to par. (ae), the
6 board shall consist of one representative chosen by the school district that has power
7 to levy taxes on the property within the tax incremental district, one representative
8 chosen by the technical college district that has power to levy taxes on the property
9 within the tax incremental district, one representative chosen by the county that has
10 power to levy taxes on the property within the tax incremental district, one
11 representative chosen by the city, and one public member. If more than one school
12 district, more than one union high school district, more than one elementary school
13 district, more than one technical college district or more than one county has the
14 power to levy taxes on the property within the tax incremental district, the unit in
15 which is located property of the tax incremental district that has the greatest value
16 shall choose that representative to the board. The public member and the board's
17 chairperson shall be selected by a majority of the other board members before the
18 public hearing under sub. (4) (a) or (h) 1. is held. All board members shall be
19 appointed and the first board meeting held within 14 days after the notice is
20 published under sub. (4) (a) or (h) 1. Additional meetings of the board shall be held
21 upon the call of any member. The city that seeks to create the tax incremental
22 district, amend its project plan, or make or incur an expenditure as described in sub.
23 (2) (f) 1. n. for an area that is outside of a district's boundaries shall provide
24 administrative support for the board. By majority vote, the board may disband

BILL**SECTION 3**

1 following approval or rejection of the proposal, unless the board is a standing board
2 that is created by the city under sub. (3) (g).

3 **SECTION 4.** 66.1105 (4m) (ae) of the statutes is amended to read:

4 66.1105 (**4m**) (ae) 1. A representative chosen by a school district under par. (a)
5 ~~or~~, (am), or (as) shall be the president of the school board, or his or her designee. If
6 the school board president appoints a designee, he or she shall give preference to the
7 school district's finance director or another person with knowledge of local
8 government finances.

9 2. The representative chosen by the county under par. (a) or (as) shall be the
10 county executive or, if the county does not have a county executive, the chairperson
11 of the county board, or the executive's or chairperson's designee. If the county
12 executive or county board chairperson appoints a designee, he or she shall give
13 preference to the county treasurer or another person with knowledge of local
14 government finances.

15 3. The representative chosen by the city under par. (a) or (as) shall be the mayor,
16 or city manager, or his or her designee. If the mayor or city manager appoints a
17 designee, he or she shall give preference to the person in charge of administering the
18 city's economic development programs, the city treasurer, or another person with
19 knowledge of local government finances.

20 4. The representative chosen by the technical college district under par. (a) or
21 (as) shall be the district's director or his or her designee. If the technical college
22 district's director appoints a designee, he or she shall give preference to the district's
23 chief financial officer or another person with knowledge of local government
24 finances.

25 **SECTION 5.** 66.1105 (4m) (as) of the statutes is created to read:

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1 66.1105 (4m) (as) With regard to a multijurisdictional tax incremental district
2 created under this section, all of the following apply:

3 1. Each participating city may appoint one public member to the joint review
4 board under par. (a).

5 2. If more than one school district, more than one union high school district,
6 more than one elementary school district, more than one technical college district,
7 or more than one county has the power to levy taxes on the property within the tax
8 incremental district, each such jurisdiction may select a representative to the joint
9 review board under par. (a), or 2 representatives as provided under par. (am), unless
10 the jurisdiction's governing body opts out of this authority by adopting a resolution
11 to that effect.

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

13 66.1105 (4m) (b) 2. Except as provided in subd. 2m., no tax incremental district
14 may be created and no project plan may be amended unless the board approves the
15 resolution adopted under sub. (4) (gm) or (h) 1. by a majority vote within 30 days after
16 receiving the resolution. With regard to a multijurisdictional tax incremental
17 district created under this section, each public member of a participating city must
18 be part of the majority that votes for approval of the resolution or the district may
19 not be created. The board may not approve the resolution under this subdivision
20 unless the board's approval contains a positive assertion that, in its judgment, the
21 development described in the documents the board has reviewed under subd. 1.
22 would not occur without the creation of a tax incremental district. The board may
23 not approve the resolution under this subdivision unless the board finds that, with
24 regard to a tax incremental district that is proposed to be created by a city under sub.

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1 (17) (a), such a district would be the only existing district created under that
2 subsection by that city.

3 **SECTION 7.** 66.1105 (6) (a) (intro.) of the statutes is amended to read:

4 66.1105 (6) (a) (intro.) If the joint review board approves the creation of the tax
5 incremental district under sub. (4m), and subject to ~~par. pars.~~ (ae) and (ag), positive
6 tax increments with respect to a tax incremental district are allocated to the city
7 which created the district for each year commencing after the date when a project
8 plan is adopted under sub. (4) (g). The department of revenue may not authorize
9 allocation of tax increments until it determines from timely evidence submitted by
10 the city that each of the procedures and documents required under sub. (4) (d) to (f)
11 has been completed and all related notices given in a timely manner. The
12 department of revenue may authorize allocation of tax increments for any tax
13 incremental district only if the city clerk and assessor annually submit to the
14 department all required information on or before the 2nd Monday in June. The facts
15 supporting any document adopted or action taken to comply with sub. (4) (d) to (f) are
16 not subject to review by the department of revenue under this paragraph. After the
17 allocation of tax increments is authorized, the department of revenue shall annually
18 authorize allocation of the tax increment to the city that created the district until the
19 soonest of the following events:

20 **SECTION 8.** 66.1105 (6) (ag) of the statutes is created to read:

21 66.1105 (6) (ag) With regard to a multijurisdictional tax incremental district,
22 the department of revenue may allocate positive tax increments to each participating
23 city only to the extent that a city's component of the district has generated a positive
24 value increment.

25 **SECTION 9.** 66.1105 (10) (a) of the statutes is amended to read:

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1 66.1105 (10) (a) Subject to any agreement with bondholders, and except as
2 provided in par. (d), a tax incremental district may be created, the boundaries of
3 which overlap one or more existing districts, except that districts created as of the
4 same date may not have overlapping boundaries.

5 **SECTION 10.** 66.1105 (10) (d) of the statutes is created to read:

6 66.1105 (10) (d) A proposed tax incremental district, the boundaries of which
7 would overlap an existing multijurisdictional tax incremental district, may be
8 created only if all of the following apply:

9 1. The creation is approved by a resolution adopted by the governing body of
10 each of the multijurisdictional district's participating cities.

11 2. The creation is approved by a resolution adopted by the multijurisdictional
12 district's joint review board.

13 **SECTION 11.** 66.1105 (18) of the statutes is created to read:

14 66.1105 (18) MULTIJURISDICTIONAL DISTRICTS. (a) *Requirements.* Two or more
15 cities may enter into an intergovernmental cooperation agreement under s. 66.0301
16 to jointly create a multijurisdictional tax incremental district under this section if all
17 of the following apply:

18 1. The district's borders contain territory in all of the cities that are a party to
19 the agreement.

20 2. The district is contiguous.

21 3. At least one parcel in each participating city touches at least one parcel in
22 at least one of the other cities.

23 (b) *Contents of an agreement.* The agreement described under par. (a) shall
24 contain provisions that specify at least all of the following with regard to the proposed
25 multijurisdictional tax incremental district:

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1 1. A detailed description of how all of the participating cities will be able to
2 exercise the powers authorized under sub. (3) and meet the requirements under sub.
3 (4).

4 2. A detailed description of how determinations will be made that relate to
5 incurring debt, expending funds for project costs, and distributing positive tax
6 increments allocated by the department of revenue.

7 3. The extent to which one of the cities will be authorized by all of the other
8 participating cities to act on behalf of all of the participating cities on some or all
9 matters relating to the district.

10 4. A binding dispute resolution procedure to be used by the cities to resolve in
11 a timely fashion any disputes between the participating cities related to the
12 agreement or to the district, except that this procedure does not apply to any issue
13 resolved by the department of revenue under par. (d) 2. The dispute resolution
14 procedure shall include a dissolution provision that allows all of the participating
15 cities to agree to jointly dissolve the district at any time before a dispute is settled
16 by the binding dispute resolution procedure and before the district would otherwise
17 terminate under sub. (7). The dissolution provision shall describe in detail how and
18 under what circumstances the district may be dissolved before it would otherwise
19 terminate under sub. (7) and shall specify how the district's assets, liabilities, and
20 any other outstanding obligations will be distributed among the participating cities.

21 5. A detailed description of the proposed membership of the joint review board.

22 6. A detailed description of the responsibilities of each city's planning
23 commission, the membership and authority of the planning commission for the
24 district, and the operating procedures to be followed by the district's planning
25 commission.

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1 7. A detailed description of the responsibilities of each city's clerk, treasurer,
2 assessor, and any other officer or official to carry out the requirements of this section,
3 and a detailed description of which clerk, treasurer, assessor, officer, or official will
4 be responsible for each task specified in this section.

5 8. Which city will be the lead city for purposes of completing any documents or
6 tasks that this section or the department of revenue require to be completed, which
7 city will be responsible for submitting the district's creation documents, and which
8 city will be responsible for submitting the district's project plan amendment
9 documents.

10 9. That all of the participating cities agree that the district's application will
11 be submitted in its entirety as one complete application by the lead city, as
12 determined by the department of revenue.

13 10. Consistent with the requirements of sub. (7), a statement that the entire
14 district will terminate at one time as a single entity and that the lead city shall
15 submit to the department of revenue all necessary notices and reports relating to the
16 termination of the district.

17 11. A detailed description of the procedures the participating cities will follow
18 to determine all of the following:

19 a. Whether the district's life may be extended under sub. (6) (g) 1. or (7) (am)
20 2. or 3.

21 b. How the project plan or boundaries of the district may be amended under
22 sub. (4) (h) 1. or 2.

23 12. A description of how any annexation costs incurred by a participating city
24 under s. 66.0219 (10) (a) 1. will be shared among all of the participating cities if the
25 annexed territory is part of the district.

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1 (c) *Limitations.* 1. Notwithstanding the provisions under sub. (6) (d), (dm), (e),
 2 or (f), a multijurisdictional tax incremental district may not become a donor district,
 3 or receive tax increments from a donor district.

4 2. Notwithstanding the provisions under sub. (2) (f) 1. k., m., and n., a
 5 multijurisdictional tax incremental district may not incur project costs for any area
 6 that is outside of the district's boundaries.

7 3. The 12 percent limit findings requirement under sub. (4) (gm) 4. c. apply on
 8 an aggregate basis to all cities that are part of a multijurisdictional district except,
 9 for one or more of the participating cities in the multijurisdictional district, the part
 10 of the district that is in an individual city may cause that city to exceed the 12 percent
 11 limit if the governing bodies of all the taxation districts that overlay that city adopt
 12 a resolution approving the creation of the district even though that city exceeds the
 13 12 percent limit.

14 4. No town may be part of a multijurisdictional tax incremental district unless
 15 ~~at least one of the other participating municipalities is a city or village~~

16 (d) *Role of the department of revenue.* 1. The department of revenue may
 17 require each participating city to submit any forms prescribed by the department
 18 without regard to whether a particular city is the lead city as described under par.
 19 (b) 8. and without regard to the responsibility of each participating city as specified
 20 in the agreement described under par. (a).

21 2. Consistent with the provisions of this section, the department of revenue
 22 may resolve any ambiguity regarding the creation, amendment, administration, and
 23 termination of a multijurisdictional tax incremental district. The department may
 24 use the agreement described under par. (a) as a guide to the resolution of any such
 25 ambiguity.

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1 (e) *Miscellaneous provisions.* 1. A copy of the agreement described under par.
2 (a), as signed by all of the participating cities, shall be forwarded to the department
3 of revenue by the lead city as described under par. (b) 8.

4 2. Without regard to the number of participating cities in the
5 multijurisdictional tax incremental district, the department of revenue may impose
6 only one fee under sub. (5) (a) for each action taken by the department under that
7 paragraph for such a district. Unless the agreement under par. (a) provides
8 otherwise, ~~the lead city~~ ^{the lead city}, as described under ^{par. (b) 8,} is responsible for any fees
9 imposed by the department under sub. (5) (a).

10 3. ~~Without regard to the number of participating cities in the~~
11 ~~multijurisdictional tax incremental district, the department of revenue~~
12 ~~may impose one annual administrative fee described in sub. (6) (ae) in the amount~~
13 ~~specified in that paragraph, multiplied by the number of participating cities in that~~
14 ~~district.~~ ^{Without regard to the number of participating cities in the}
15 ^{only one} The agreement under par. (a) ^{may specify which participating city is}
16 ^{responsible for the annual fee although} the lead city, ^{as described under par. (b) 8.,}
17 ^{is responsible for} ~~shall submit~~ the annual fee ^{and shall submit it} to the department.

SECTION 12. Effective date.

(1) This act takes effect on October 1, 2012.

(END)

Barman, Mike

From: Shovers, Marc
Sent: Friday, June 10, 2011 10:01 AM
To: Barman, Mike
Subject: LRB -1856/2

Hi Mike:

Jay from Rep. Weininger's office called and he asked that we jacket this bill for the Assembly.
Thanks.

Marc