SENATE BILL 440 (LRB -3841)

An Act to amend 66.1105 (4) (h) 2.; and to create 66.1105 (4) (h) 9., 66.1105 (6) (a) 10. and 66.1105 (6) (am) 2. e. of the statutes; relating to: increasing the allowable number of project plan amendments, and lengthening the time during which tax increments may be allocated and expenditures for project costs may be made, for Tax Incremental District Number 3 in the city of Middleton. (FE)

2012

02-07.	S.	Introduced by Senators **Grothman**, **Erpenbach** and **Risser**; cosponsored by Representatives **Kleefisch**, **Roys** and **Pope-Roberts**.	
02-07.	S.	Read first time and referred to committee on Economic Development and Veterans and Military Affairs	687
02-10.	S.	Fiscal estimate received.	
02-14.	S.	Public hearing held.	
02-16.	S.	Executive action taken.	
02-17.	S.	Report passage recommended by committee on Economic Development and Veterans and Military Affairs, Ayes 6, Noes 1	715
02-17.	S.	Available for scheduling.	
02-20.	S.	Referred to joint committee on Finance by committee on Senate Organization, pursuant to Senate Rule 41 (1)(e), Ayes 5, Noes 0	720
02-20.	S.	Withdrawn from joint committee on Finance and made Available for Scheduling by committee on Senate Organization, pursuant to Senate Rule 41 (1)(e), Ayes 5, Noes 0	720
02-20.	S.	Placed on calendar 2-21-2012 pursuant to Senate Rule 18(1)	720
02-21.	S.	Read a second time	730
02-21.	S.	Ordered to a third reading	730
02-21.	S.	Rules suspended	730
02-21.	S.	Read a third time and **passed**, Ayes 31, Noes 2	730
02-21.	S.	Ordered immediately messaged	730
02-22.	A.	Received from Senate	850
02-29.	A.	Read first time and referred to committee on Rules	865
03-02.	A.	Placed on calendar 3-6-2012 by committee on Rules.	
03-06.	A.	Made a special order of business at 11:25 A.M. on 3-13-2012 pursuant to Assembly Resolution 22	894
03-15.	A.	Read a second time.	
03-15.	A.	Ordered to a third reading.	
03-15.	A.	Rules suspended.	
03-15.	A.	Read a third time and **concurred in**, Ayes 56, Noes 35.	
03-15.	A.	Ordered immediately messaged.	
03-16.	S.	Received from Assembly concurred in.	

2 0 1 1
ENROLLED BILL

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ADOPTED DOCUMENTS:

☒ Orig   ☐ Engr   ___ SubAmdt ___
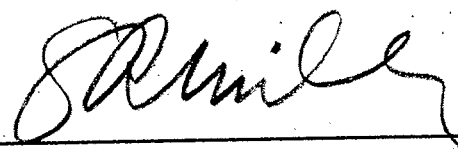
11-$\underline{3841}$ /$\underline{12}$

Amendments to above (if none, write "NONE"): _None_

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Corrections – show date (if none, write "NONE"): _None_

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Topic _Rel_

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3-19-12	_(signature)_
Date	**Enrolling Drafter**
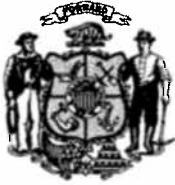
2011 SENATE BILL 440

February 7, 2012 – Introduced by Senators GROTHMAN, ERPENBACH and RISSER, cosponsored by Representatives KLEEFISCH, ROYS and POPE-ROBERTS. Referred to Committee on Economic Development and Veterans and Military Affairs.

1   AN ACT *to amend* 66.1105 (4) (h) 2.; and *to create* 66.1105 (4) (h) 9., 66.1105 (6)

2   (a) 10. and 66.1105 (6) (am) 2. e. of the statutes; **relating to:** increasing the

3   allowable number of project plan amendments, and lengthening the time

4   during which tax increments may be allocated and expenditures for project

5   costs may be made, for Tax Incremental District Number 3 in the city of

6   Middleton.

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 project 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. Also under current law, a city or village may not generally make expenditures for project costs later than five years before the unextended termination date of the TID. Under certain circumstances, the life of the TID, the expenditure period, and the allocation period may be extended.

Generally under current law a local planning commission may amend the project plan of a TID, by adding or subtracting territory from the district, not more than four times during the TID's existence.

Under this bill, with regard to TID number 3 in the city of Middleton, the local planning commission may amend the project plan of the TID not more than seven times, expenditures for project costs may be made for up to 32 years after the TID was created, and DOR may allocate tax increments for up to 37 years after the TID's creation.

For further information see the *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) (h) 2. of the statutes is amended to read:

2   66.1105 **(4)** (h) 2. Except as provided in subds. 4., 5., 7., ~~and~~ 8., and 9., the

3   planning commission may adopt an amendment to a project plan under subd. 1. to

4   modify the district's boundaries, not more than 4 times during the district's

5   existence, by subtracting territory from the district in a way that does not remove

6   contiguity from the district or by adding territory to the district that is contiguous

7   to the district and that is served by public works or improvements that were created

1   as part of the district's project plan. A single amendment to a project plan that both

2   adds and subtracts territory shall be counted under this subdivision as one

3   amendment of a project plan.

4   SECTION 2. 66.1105 (4) (h) 9. of the statutes is created to read:

5   66.1105 **(4)** (h) 9. Notwithstanding the limitation in subd. 2., the planning

6   commission in the city of Middleton may adopt an amendment to a project plan under

7   subd. 1. to modify the boundaries of Tax Incremental District Number 3 not more

8   than 7 times during the district's existence. A single amendment to a project plan

9   that both adds and subtracts territory shall be counted under this subdivision as one

10   amendment of a project plan.

11   SECTION 3. 66.1105 (6) (a) 10. of the statutes is created to read:

12   66.1105 **(6)** (a) 10. Thirty–seven years after the tax incremental district is

13   created if the district is Tax Incremental District Number 3 in the city of Middleton.

14   SECTION 4. 66.1105 (6) (am) 2. e. of the statutes is created to read:

15   66.1105 **(6)** (am) 2. e. Expenditures for project costs for Tax Incremental

16   District Number 3 in the city of Middleton. Such expenditures may be made no later

17   than 32 years after the district is created and may be made through 2025.

18   **(END)**