

2011 DRAFTING REQUEST

Bill

Received: **01/04/2012**

Received By: **mshovers**

Wanted: **As time permits**

Companion to LRB:

For: **Jon Erpenbach (608) 266-6670**

By/Representing: **Tryg**

May Contact:

Drafter: **mshovers**

Subject: **Local Gov't - tax incr financing**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Erpenbach@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Allow extra boundary amendments for tax incremental district (TID) #3 in the city of Middleton

Instructions:

See Attached. Allow extra boundary adjustments for TID #3 in Middleton

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			Local
/1	mshovers 01/17/2012	csicilia 02/01/2012	jfrantze 02/01/2012	_____	sbasford 02/01/2012	sbasford 02/02/2012	Local
	mshovers 02/03/2012	csicilia 02/03/2012		_____			
/2			jfrantze 02/03/2012	_____	sbasford 02/03/2012	sbasford 02/03/2012	

FE Sent For:

At intro
2/7/2012

<END>

2011 DRAFTING REQUEST

Bill

Received: **01/04/2012**

Received By: **mshovers**

Wanted: **As time permits**

Companion to LRB:

For: **Jon Erpenbach (608) 266-6670**

By/Representing: **Tryg**

May Contact:

Drafter: **mshovers**

Subject: **Local Gov't - tax incr financing**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Erpenbach@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Allow extra boundary amendments for tax incremental district (TID) #3 in the city of Middleton

Instructions:

See Attached. Allow extra boundary adjustments for TID #3 in Middleton

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			Local
/1	mshovers 01/17/2012	csicilia 02/01/2012	jfrantze 02/01/2012	_____	sbasford 02/01/2012	sbasford 02/02/2012	

FE Sent For:

1/2 js 2/3
12

J 2/3
<END>

2011 DRAFTING REQUEST

Bill

Received: 01/04/2012

Received By: mshovers

Wanted: As time permits

Companion to LRB:

For: Jon Erpenbach (608) 266-6670

By/Representing: Tryg

May Contact:

Drafter: mshovers

Subject: Local Gov't - tax incr financing

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Sen.Erpenbach@legis.wisconsin.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Allow extra boundary amendments for tax incremental district (TID) #3 in the city of Middleton

Instructions:

See Attached. Allow extra boundary adjustments for TID #3 in Middleton

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			Local
/1	mshovers 01/17/2012	csicilia 02/01/2012	jfrantze 02/01/2012	_____	sbasford 02/01/2012		

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: 01/04/2012

Received By: mshovers

Wanted: As time permits

Companion to LRB:

For: Jon Erpenbach (608) 266-6670

By/Representing: Tryg

May Contact:

Drafter: mshovers

Subject: Local Gov't - tax incr financing

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Sen.Erpenbach@legis.wisconsin.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Allow extra boundary amendments for tax incremental district (TID) #3 in the city of Middleton

Instructions:

See Attached. Allow extra boundary adjustments for TID #3 in Middleton

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1/?	mshovers	1 gjs	2/1	KMF	2/1		
11 MES	1/17/12	12 do	2/1				
FE Sent For:							

<END>

Shovers, Marc

From: Knutson, Tryg
Sent: Wednesday, January 04, 2012 10:23 AM
To: Shovers, Marc
Subject: FW: Large Employer Relocation
Attachments: Proposed Middleton TIF Legislation.pdf

Hi Mark –

Senator Erpenbach would appreciate the enclosed changes to 66.1105(4)(h) drafted into a bill.

Please contact me if you have any questions.

Tryg Knutson
Sen. Erpenbach's Office
266-6670

Amendment to Section 66.1105(4)(h):

Amend subsection 2 to read, in its entirety:

Except as provided in subs. 4., 5., 7., ~~and 8.~~ and 9., the planning commission may adopt an amendment to a project plan under subd. 1. to modify the district's boundaries, not more than 4 times during the district's existence, by subtracting territory from the district in a way that does not remove contiguity from the district or by adding territory to the district that is contiguous to the district and that is served by public works or improvements that were created as part of the district's project plan. A single amendment to a project plan that both adds and subtracts territory shall be counted under this subdivision as one amendment of a project plan.

Add a subsection 9 to read, in its entirety:

9. Notwithstanding the limitation in subd. 2., the planning commission in the City of Middleton may adopt an amendment to a project plan under subd. 1 to modify the boundaries of tax incremental district number 3 not more than 7 times during the district's existence. A single amendment to a project plan that both adds and subtracts territory shall be counted under this subdivision as one amendment of a project plan.

Amendment to Section 66.1105(6)(a):

Add a subsection 3 to read, in its entirety:

3. Thirty-seven years after the tax incremental district is created if the district is tax incremental district number 3 and is located in a city in Dane County that was originally incorporated as a village in 1905, has a population of 17,442 and is partially located in the Pheasant Branch Creek watershed.



State of Wisconsin
2011 - 2012 LEGISLATURE

TODAY



LRB-3841/P
MES/.....

[Handwritten signature]

[Handwritten signature]

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

cjs

insert

D-NOTE

[Handwritten initials]

and lengthening the time during which tax increments may be allocated

1 AN ACT/...; relating to: increasing the allowable number of project plan
2 amendments for tax incremental district number 3 in the city of 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.

→ 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.

and DOR may allocate tax increments for up to 37 years after the TID's creation.

INS ANAL

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
8 as part of the district's project plan. A single amendment to a project plan that both
9 adds and subtracts territory shall be counted under this subdivision as one
10 amendment of a project plan.

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. 10, 12, 32, 40, 41, 77; s. 13.92 (2) (i).

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

12 66.1105 (4) (h) 9. Notwithstanding the limitation in subd. 2., the planning
13 commission in the city of Middleton may adopt an amendment to a project plan under
14 subd. 1. to modify the boundaries of ^T ₌ ^I ₌ ^D ₌ ^N ₌ tax incremental district number 3 not more than
15 7 times during the district's existence. A single amendment to a project plan that
16 both adds and subtracts territory shall be counted under this subdivision as one
17 amendment of a project plan.

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

1

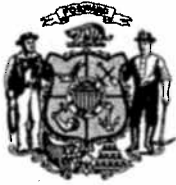
66.1105 (6) (a) 10. Thirty-seven years after the tax incremental district is
created if the district is ^Ttax ^Iincremental ^Ddistrict ^Nnumber 3 in the city of Middleton.

2

3

(END)

d-note



2011 SENATE BILL 359

January 3, 2012 - Introduced by Senator LASEE, cosponsored by Representative JACQUE. Referred to Committee on Judiciary, Utilities, Commerce, and Government Operations.

1 AN ACT *to create* 66.1105 (6) (am) 2. e. of the statutes; **relating to:** extending
2 the expenditure period for a tax incremental district in the village of Denmark.

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.

INS
ANL
P. 10/2

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

LRB-3841/?dn

MES/.....

late

g's

Senator Erpenbach:

You may wish to check with the city of Middleton, or DOR, to determine whether the expenditure period needs to be extended in s. 66.1105 (6) (am). Also, the predrafted language in proposed s. 66.1105 (6) (a) 3., which I created in subd. 10., refers to "a city in Dane County that was originally incorporated as a village in 1905, has a population of 17,442, and is partially located in the Pheasant Branch Creek watershed" is unnecessary. The bill may simply refer to the city of Middleton, as is done in created s. 66.1105 (4) (h) 9. This is a single-subject bill, with the subject expressed in the title. Consequently, identifying the particular city affected by the bill will not violate the constitutional provisions relating to private and local bills which embrace more than one subject.

That language

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

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

LRB-3841/1dn
MES:cjs:jf

February 1, 2012

Senator Erpenbach:

You may wish to check with the city of Middleton, or DOR, to determine whether the expenditure period needs to be extended in s. 66.1105 (6) (am). Also, the predrafted language in proposed s. 66.1105 (6) (a) 3., which I created in subd. 10., refers to "a city in Dane County that was originally incorporated as a village in 1905, has a population of 17,442 and is partially located in the Pheasant Branch Creek watershed." That language is unnecessary. The bill may simply refer to the city of Middleton, as is done in created s. 66.1105 (4) (h) 9. This is a single-subject bill, with the subject expressed in the title. Consequently, identifying the particular city affected by the bill will not violate the constitutional provisions relating to private and local bills which embrace more than one subject.

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

Basford, Sarah

From: Laundrie, Julie

Sent: Thursday, February 02, 2012 9:15 AM

To: LRB.Legal

Subject: Draft Review: LRB 11-3841/1 Topic: Allow extra boundary amendments for tax incremental district (TID)#3 in the city of Middleton

Please Jacket LRB 11-3841/1 for the SENATE.

Shovers, Marc

From: Knutson, Tryg
Sent: Friday, February 03, 2012 10:48 AM
To: Shovers, Marc
Subject: FW: TIF 3 Time Extension - Legislative Status
Attachments: 11-39832.pdf; Co-Sponsor Memo_LRB 3983.1.doc

Hi Marc –

Sorry this has been on two different tracks with you – miscommunication on the outside end of this led us to this dual track.

We'll need our Senate version redrafted with the same changes.

Our version was inadvertently jacketed yesterday while I was out sick from the office. I sent it back this morning.

Thanks for your help.

Tryg

From: Kundert, Stephanie
Sent: Friday, February 03, 2012 10:41 AM
To: Knutson, Tryg
Subject: FW: TIF 3 Time Extension - Legislative Status

Hi Tryg,

Per our conversation, please find attached the latest bill draft I just received this morning. **Section 4** contains the new language I read to you over the phone. I've also attached the rough draft of the co-sponsorship memo I prepared (but without Section 4 included just yet within the LRB analysis) in case you'd like to edit it as necessary and use it.

I also wanted you to be aware of the e-mail exchange below. Before you called this morning, I did speak with Mr. Wall's attorney over the phone and I think everything is squared away now on the confusion we initially had on this bill.

Thanks again and please don't hesitate to contact me if I can be of any further assistance.

Stephanie

Stephanie L. Kundert
Office of Representative Joel Kleefisch
Member, Joint Committee on Finance
38th Assembly District
321 East, State Capitol
Madison, WI 53708
608.266.8552
stephanie.kundert@legis.wisconsin.gov

From: Jeff Lee [mailto:jlee@twallproperties.com]
Sent: Friday, February 03, 2012 9:31 AM
To: Kundert, Stephanie
Cc: Terrence Wall
Subject: Re: TIF 3 Time Extension - Legislative Status

2/3/2012

Thanks Stephanie. It turns out Erpenbach is working with the exact same Bill language you are and he would prefer to "take the lead" because he believes coming from him it will garner more Dem support. It would be great if you could again reach out to Erpenbach and confirm they are in fact moving this forward today and reiterate that Grothman and Kleefisch will co-sponsor.

THANKS!

On Feb 3, 2012, at 9:21 AM, "Kundert, Stephanie" <stephanie.kundert@legis.wisconsin.gov> wrote:

Good Morning Jeff,

Thank you for forwarding me this e-mail. I meant to call you yesterday, but we were overwhelmed with reaction to Joel's sandhill crane hunting bill and I'm working on three other bill drafts.

Tryg from Senator Erpenbach's office contacted me yesterday to let me know that he had already been working on this legislation with the City of Middleton, which I was not made aware of. I was under the impression that nothing was in drafting, the City of Middleton was in support of drafting something, and with the end of session near, I immediately went to work on drafting something so we can hopefully get it through both houses and to Governor Walker's office before the end of session. I had also given a heads-up to the Middleton delegation here in the Assembly to let them know we were willing to lead the effort in getting this legislation through our house on their behalf.

After my conversation with Tryg, I contacted Senator Grothman's office to let them know we need to put the brakes on our draft since Erpenbach already has one in the works. Tryg said he'll follow up with me again once they have their draft and my boss and Senator Grothman can sign onto that one instead.

That's where things are at this time with the Middleton TID legislation and I anticipate hearing back from Tryg next week on the status of the final draft of the bill. Thank you.

Stephanie

Stephanie L. Kundert
Office of Representative Joel Kleefisch
Member, Joint Committee on Finance
38th Assembly District
321 East, State Capitol
Madison, WI 53708
608.266.8552
stephanie.kundert@legis.wisconsin.gov

From: Jeff Lee [mailto:jlee@twallproperties.com]
Sent: Friday, February 03, 2012 9:06 AM
To: Kundert, Stephanie
Subject: Fwd: TIF 3 Time Extension - Legislative Status

Stephanie - please see email from the City below. Is your memo still in draft? If so can you modify it per Mikes comments?

Thanks -- Jeff

Begin forwarded message:

From: Mike Davis <mdavis@ci.middleton.wi.us>
Date: February 3, 2012 8:52:56 AM CST
To: "Lee, Jeff" <jlee@twallproperties.com>
Cc: Terrence Wall <twall@twallproperties.com>, Mayor
<mayor@ci.middleton.wi.us>
Subject: RE: TIF 3 Time Extension - Legislative Status

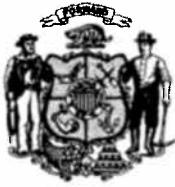
Jeff,

We may have a small problem. The memo from Kleefisch's office indicates that the author is working with Terrence Wall's attorney on the drafting of the legislation. However, Erpenbach's office, at my request, sent the Middleton draft to the Legislative Reference Bureau back on January 10. The Democrats are concerned that it now looks like "Terrence Wall's" bill rather than the City of Middleton's Jobs Bill.

When I provided the draft, I told our local delegation that it was Middleton's bill, and that we were working with several companies, two of which were tenants of Terrence Wall. So, they were aware of that, but they're very sensitive to the perception that Kleefisch's office has characterized it as something other than Middleton's bill. Anything you could do to help with this perception would be much appreciated.

Mike Davis

City Administrator & Director of Community Development
7426 Hubbard Avenue
Middleton, WI 53562
(608) 821-8358



State of Wisconsin
2011 - 2012 LEGISLATURE

- 3841/2
LRB-3983/21
MES:cjs:jf
ATTN!
The 1/2
for this
draft
is
coming
from a
different
draft

2011 BILL

RMNR

stays

today
Ed, LPS:
no changes

reger

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.

BILL

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

BILL

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)