



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2011 Wisconsin Act 77
[2011 Assembly Bill 179]

**Multijurisdictional Tax Incremental
Financing Districts**

Under Wisconsin law, the tax incremental financing (TIF) process allows municipalities to pay for public improvements within a designated portion of the municipality, called a tax incremental district (TID), using the future taxes collected on the district's increased property value to repay the cost of the improvements.

2011 Wisconsin Act 77 authorizes cities and villages to jointly create multijurisdictional tax increment districts (MJTIDs). Under the Act, municipalities must enter into an intergovernmental cooperation agreement in order to create an MJTID. The agreement must specify a number of things, including the proposed membership of the joint review board; a binding dispute resolution process; a procedure to dissolve the MJTID before it would otherwise be required to terminate; a description of the responsibilities of each municipality and designation of a lead municipality for administrative purposes; and procedures for amendment of the project plan or boundaries of the MJTID.

Generally, the provisions of current law that apply to all tax increment districts also apply to MJTIDs. However, the Act creates a number of provisions that apply only to MJTIDs. These provisions include the following:

- No MJTID may be created unless each public member of the joint review board appointed from each participating city votes with the majority for approval of the resolution creating the MJTID.
- The Department of Revenue may allocate positive tax increments to each participating municipality in an MJTID only to the extent that a municipality's component of the MJTID has generated a positive value increment.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

- MJTIDs may not become donor districts. Generally, under the TIF process, a performing TID may extend its lifespan and allocate its positive tax increment to a non-performing, or “distressed,” TID.
- MJTIDs may not receive tax increments from a donor district.
- MJTIDs may not incur project costs for any area that is outside of the district’s boundaries.
- The 12% limit, relating to the amount of a municipality’s property that may be in TIDs, applies on an aggregate basis to the participating municipalities of an MJTID except, for one or more participants, the part of the MJTID that is in an individual municipality may cause that municipality to exceed the 12% limit if the governing bodies of all taxation districts that overlay that municipality approve of the creation of the MJTID.
- No town may be part of an MJTID.

Effective date: 2011 Wisconsin Act 77 takes effect on October 1, 2012.

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