

**2013 Oc3 DRAFTING REQUEST**

**Bill**

Received: 10/11/2013 Received By: mshovers  
Wanted: As time permits Same as LRB:  
For: Scott Fitzgerald (608) 266-5660 By/Representing: Lucas  
May Contact: Drafter: mshovers  
Subject: Local Gov't - tax incr financing Addl. Drafters:  
Extra Copies: EVM

Submit via email: YES  
Requester's email: Sen.Fitzgerald@legis.wisconsin.gov  
Carbon copy (CC) to:

**Pre Topic:**

No specific pre topic given

**Topic:**

Authorize expanded authority to the town of Brookfield in Waukesha county to create tax incremental financing districts (TIDs)

**Instructions:**

See attached

**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>
/?	mshovers 10/11/2013	scalvin 10/11/2013	jmurphy 10/11/2013	_____			
/1				_____	rosrose 10/11/2013	mbarman 10/11/2013	State S&L

FE Sent For:

<END>

→ At  
Intro.

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1/2	mshovers	1 SAC 10/11/2013	m 10/11	Jim + Jo 10/11			
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1/11/13

FE Sent For:

<END>

## Shovers, Marc

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**From:** Vebber, Lucas  
**Sent:** Thursday, October 10, 2013 5:26 PM  
**To:** Shovers, Marc  
**Subject:** Email from LRB Website  
**Attachments:** 13a0961\_1.pdf; 13a0954\_1.pdf; sb338.pdf

### RUSH Drafting Request: October 2013 Special Session

Hi Marc,

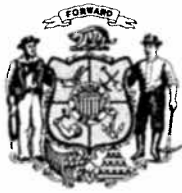
Sen. Fitzgerald needs the following bill drafted as soon as possible for the October 2013 Special Session:

- 2011 Senate Bill 21 granted the town of Brookfield some additional authority, this new bill would replace/expand that old TID authority
- SB-338 currently applies to all towns with a population of at least 5000 and equalized value of \$500 million
- Sen. Fitzgerald wants a similar bill drafted granting the new TID authority proposed under SB-338 only to the Town of Brookfield in Waukesha County (rather than the population/valuation criteria in SB 338)
- Sen. Petrowski has drafted two amendments to SB-338 that would need to be incorporated into this bill:
  - o LRBa0954/1: which says the debt follows the land, if annexed
  - o LRBa0961/1: which says DOR should re-value the land, if annexed

All referenced LRBs are attached. We will need an Assembly companion as well. Please call me ASAP with any questions.

-Lucas

Lucas Vebber  
Office of Sen. Scott Fitzgerald  
(608) 266-5660



State of Wisconsin  
2013 - 2014 LEGISLATURE  
October 2013 Special Session



LRB-3410/?  
MES.....

RMNR

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

now

D-note

1

**AN ACT ...; relating to: ???**

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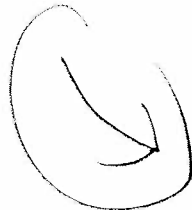
*Analysis by the Legislative Reference Bureau*

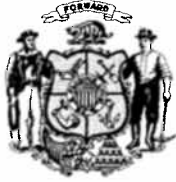
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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2

(END)





State of Wisconsin  
2013 - 2014 LEGISLATURE

LRB-3410/1



LRB-2637/1

MES:sac:rs

Stays

**2013 SENATE BILL 338**

October 8, 2013 - Introduced by Senator PETROWSKI, cosponsored by Representatives BROOKS and KERKMAN. Referred to Committee on Economic Development and Local Government.

Waukesha  
→ in Waukesha County

gen

Brookfield

1 AN ACT to renumber <sup>gen</sup> 60.23 (32); and to create 60.23 (32) (b) of the statutes;  
2 relating to: expanding the authority of ~~county~~ <sup>the town of Brookfield</sup> to create tax incremental  
3 financing districts.

**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

**SENATE BILL 338**

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.

Under the current law limitations on towns to use tax incremental financing (TIF), a town may create a TID for projects related to tourism, agriculture, manufacturing, or forestry. A town may also use TIF for residential projects, but only to the extent that the residential project has a necessary and incidental relationship to a tourism, agricultural, manufacturing, or forestry project, and for retail projects to the extent that the retail development is related to the retail sale of a product that is produced due to an agricultural, forestry, or manufacturing project.

A town may also create a TID in limited circumstances under which the town enters into a cooperative plan with a city or village under which part or all of the town will be annexed or attached by the city or village.

INS  
ANL

~~This bill authorizes certain towns to exercise all of the powers of a city or village to create a TID within the town. To create a TID under the bill, a town must have a population of at least 5,000 and the equalized value of all taxable property within the town must be at least \$500 million in the year before the year in which the town proposes to create the TID.~~

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. 60.23 (32) of the statutes is renumbered 60.23 (32) (a).

2 SECTION 2. 60.23 (32) (b) of the statutes is created to read:

3 60.23 (32) (b) 1. In this paragraph, "town" means ~~a town in which the equalized~~  
4 ~~value of all taxable property in the town, in the year before the year in which the town~~  
5 ~~adopts a resolution under s. 66.1105 (4) (gm), is at least \$500 million~~

the town  
of Brookfield in  
Waukesha county  
Waukesha



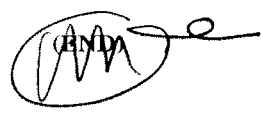
**SENATE BILL 338**

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2. Subject to subd. 3., a town ~~with a population of at least 5,000~~ may exercise all powers of cities under s. 66.1105 to create a tax incremental district. If the town board exercises the powers of a city under s. 66.1105, it is subject to the same duties as a common council under s. 66.1105 and the town is subject to the same duties and liabilities as a city under s. 66.1105.

3. a. If a town creates a tax incremental district under s. 60.85, the town may not take any action with regard to that district except by acting under s. 60.85.

b. If a town creates a tax incremental district under par. (a), the town may not take any action with regard to that district except by acting under par. (a).





**SENATE AMENDMENT ,  
TO SENATE BILL 338**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 3, line 9: after that line insert:

3 ~~SECTION 3m.~~ 60.23 (32) (c) of the statutes is created to read:

4 60.23 (32) (c) If any part of a tax incremental district that is created as provided  
5 under par. (b) 2. is annexed by a city or village, any assets or liabilities associated  
6 with that annexed territory, including a proportional share of any bonds or other debt  
7 associated with the district, shall become the responsibility of the annexing city or  
8 village.

9

(END)





**SENATE AMENDMENT ,  
TO SENATE BILL 338**

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At the locations indicated, amend the bill as follows:

~~1. Page 3, line 9: after that line insert:~~

~~SECTION 3m.~~ 60.23 (32) (a) of the statutes is created to read:

60.23 (32) (a) If after January 1 a city or village annexes any part of a tax incremental district that is created as provided under par. (b) 2., the department of revenue shall redetermine the tax incremental base of the district by subtracting from the tax incremental base the value of the taxable property that is annexed from the existing district as of the following January 1, and if the annexation becomes effective on January 1 of any year, the redetermination shall be made as of that date. The tax incremental base as redetermined under this paragraph is effective for the purposes of this paragraph and par. (b) only if it less than the original tax incremental base determined under s. 66.1105 (5) (a).

(END)



2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-3410/?ins  
MES.....

INS ANL

Under current law the town of Brookfield in Waukesha County, using the general authority towns may exercise to create a TID, may create one TID for a project that is related to either retail purposes, or to a purpose for which a city may create a TID.

Under this bill, the town of Brookfield in Waukesha County may create TIDs in the same way and subject to the same conditions as any city or village. If any part of such a TID is annexed by a city or village, any assets or liabilities associated with that annexed territory, including bonds or other debt, become the responsibility of the annexing city or village.

MES: SAC

D-note

Senator Fitzgerald:

Please let me know if this bill meets your intent. As soon as you approve it, let me know and I'll draft a companion bill to be jacked for the Assembly. Who would you like to be the requester for the Assembly bill?

MES

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

LRB-3410/1dn  
MES:sac:jm

October 11, 2013

Senator Fitzgerald:

Please let me know if this bill meets your intent. As soon as you approve it, let me know and I'll draft a companion bill to be jacketed for the Assembly. Who would you like to be the requester for the Assembly bill?

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

**Barman, Mike**

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**From:** Shovers, Marc  
**Sent:** Friday, October 11, 2013 3:27 PM  
**To:** Barman, Mike  
**Subject:** Please jacket -3410 and 3416 ASAP for the Senate for Sen. Fitzgerald

Thanks, Mike

Marc Shovers  
Managing Attorney  
Legislative Reference Bureau  
608-266-0129  
[marc.shovers@legis.wisconsin.gov](mailto:marc.shovers@legis.wisconsin.gov)