

2013 DRAFTING REQUEST

Bill

Received: **2/28/2013** Received By: **mshovers**
Wanted: **As time permits** Same as LRB:
For: **Richard Gudex (608) 266-5300** By/Representing: **Lance**
May Contact: **Rebecca Hogan @ Hamilton Group,
258-9506; Al Runde; Eric Bott @
Sen. Fitzgerald** Drafter: **mshovers**
Addl. Drafters:
Extra Copies: **EVM**
Subject: **Local Gov't - tax incr financing**

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

Pre Topic:

No specific pre topic given

Topic:

Allow redetermination of tax incremental base in certain tax incremental districts (TID)

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Required</u>
/?	mshovers 2/28/2013	csicilia 2/28/2013	jfrantze 2/28/2013	_____	_____	
/1	mshovers 7/3/2013			_____	sbasford 2/28/2013	State S&L
/2		csicilia 7/8/2013	jmurphy 7/9/2013	_____	sbasford 7/9/2013	sbasford 8/5/2013 State S&L

FE Sent For:

*at intro
8/16/13*

<END>

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/1	mshovers 7/3/2013			_____	sbasford 2/28/2013		State S&L
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1/2	mshovers 2/28/2013	csicilia 2/28/2013	jfrantze 2/28/2013	_____	_____	_____	State S&L
1/2	ME S 7/3/13		Jim 7/8/13	_____	sbasford 2/28/2013	_____	

FE Sent For:

1/2 ys
7/8/13

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Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

1? mshovers 1 gjs 2/28 2/28
/1 NES 2/28/13 13 JB

FE Sent For:

<END>

"RESEARCH APPENDIX"

... Drafting History Reproduction Request Form ...

 DRAFTING ATTORNEYS: PLEASE COMPLETE THIS FORM AND GIVE TO MIKE BARMAN

(Request Made By: MES) (Date: 2/28/13)

Note:

BOTH DRAFTS SHOULD HAVE THE SAME "REQUESTOR"

(exception: companion bills)




 Please transfer the drafting file for

2011 LRB _____ (For: Rep. / Sen. _____)

to the drafting file for

2013 LRB _____ (For: Rep. / Sen. _____)

----- **OR** -----

 Please copy the drafting file for

2013 LRB -1717/1 (include the version) (For: Rep. / Sen. VDS)

and place it in the drafting file for

2013 LRB -1758/1 (For: Rep. / Sen. Budex)

 Are These "Companion Bills" ?? ... Yes No

Not sure yet

If yes, who in the initial requestor's office authorized the copy/transfer of the drafting history

("guts") from the original file: _____



TODAY
State of Wisconsin
2013 - 2014 LEGISLATURE

1758/1
LRB-17171
MES:cjs:rs

2013 BILL

FMNR

stays

1 AN ACT to amend 66.1105 (4m) (a), 66.1105 (4m) (b) 1., 66.1105 (4m) (b) 2. and
2 66.1105 (5) (a); and to create 66.1105 (2) (aj) and 66.1105 (5) (h) of the statutes;
3 relating to: authorizing a city or village to require the Department of Revenue
4 to redetermine the value of the tax incremental base of certain tax incremental
5 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

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.

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. If a TID's project plan is amended, current law authorizes DOR to redetermine the TID's tax incremental base. DOR may charge a city or village \$1,000 to determine or redetermine a TID's tax incremental base or, if a project plan amendment both adds and subtracts territory, DOR may impose a fee of \$2,000.

Under this bill, a city or village may adopt a resolution, subject to joint review board approval, requiring DOR to redetermine the tax incremental base of a TID which is in a decrement situation. The bill defines decrement situation as a situation in which the current aggregate equalized value of all the taxable property within the TID is less than the value of the TID's tax incremental base on the day on which it was created. DOR may charge the city or village \$1,000 for the redetermination.

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 (2) (aj) of the statutes is created to read:

2 66.1105 (2) (aj) "Decrement situation" means a situation in which the
3 aggregate value, as equalized by the department of revenue, of all taxable property
4 located within a tax incremental district on or about the date on which a resolution
5 is adopted under sub. (5) (h) 1. is less than the tax incremental base of that district.

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

7 66.1105 (4m) (a) Any city that seeks to create a tax incremental district, amend
8 a project plan, have a district's tax incremental base redetermined under sub. (5) (h),
9 or incur project costs as described in sub. (2) (f) 1. n. for an area that is outside of a
10 district's boundaries, shall convene a temporary joint review board under this
11 paragraph, or a standing joint review board under sub. (3) (g), to review the proposal.

BILL

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

23 **SECTION 3.** 66.1105 (4m) (b) 1. of the statutes is amended to read:

24 66.1105 (4m) (b) 1. The board shall review the public record, planning
25 documents and the resolution passed by the local legislative body or planning

BILL

1 commission under sub. (4) (gm) or (h) 1., or sub. (5) (h) 1. As part of its deliberations
2 the board may hold additional hearings on the proposal.

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

4 66.1105 (4m) (b) 2. Except as provided in subd. 2m., no tax incremental district
5 may be created and no project plan may be amended unless the board approves the
6 resolution adopted under sub. (4) (gm) or (h) 1., and no tax incremental base may be
7 redetermined under sub. (5) (h) unless the board approves the resolution adopted
8 under sub. (5) (h) 1., by a majority vote within 30 days after receiving the resolution.

9 With regard to a multijurisdictional tax incremental district created under this
10 section, each public member of a participating city must be part of the majority that
11 votes for approval of the resolution or the district may not be created. The board may
12 not approve the resolution under this subdivision unless the board's approval
13 contains a positive assertion that, in its judgment, the development described in the
14 documents the board has reviewed under subd. 1. would not occur without the
15 creation of a tax incremental district. The board may not approve the resolution
16 under this subdivision unless the board finds that, with regard to a tax incremental
17 district that is proposed to be created by a city under sub. (17) (a), such a district
18 would be the only existing district created under that subsection by that city.

19 **SECTION 5.** 66.1105 (5) (a) of the statutes is amended to read:

20 66.1105 (5) (a) Subject to sub. (8) (d), upon the creation of a tax incremental
21 district ~~or~~, upon adoption of any amendment subject to par. (c), or upon the adoption
22 and approval of a resolution under par. (h), its tax incremental base shall be
23 determined or redetermined as soon as reasonably possible. The department of
24 revenue may impose a fee of \$1,000 on a city to determine or redetermine the tax
25 incremental base of a tax incremental district under this subsection, except that if

BILL

1 the redetermination is based on a single amendment to a project plan that both adds
2 and subtracts territory, the department may impose a fee of \$2,000.

3 **SECTION 6.** 66.1105 (5) (h) of the statutes is created to read:

4 66.1105 (5) (h) 1. Subject to subd. 2., a local legislative body may adopt a
5 resolution requiring the department of revenue to redetermine the tax incremental
6 base of a district that is in a decrement situation.

7 2. A resolution adopted under subd. 1. may not take effect unless it is approved
8 by a joint review board under sub. (4m), acting as it would if the district's project plan
9 was to be amended.

10 3. Upon approval by a joint review board under subd. 2., the department of
11 revenue shall redetermine the tax incremental base of the district under par. (a).

12

(END)

Shovers, Marc

From: Burri, Lance
Sent: Monday, May 13, 2013 4:27 PM
To: Shovers, Marc
Subject: RE: LRB 1758

Thanks Marc.

Lance Burri
Office of Sen. Rick Gudex
608-266-5300

From: Shovers, Marc
Sent: Monday, May 13, 2013 4:27 PM
To: Burri, Lance
Subject: RE: LRB 1758

Hi Lance:

I'll try to get to it this week, but I've been so busy doing amendments for AB 85 (the Milwaukee County bill that was in the Assembly last week and is in the Senate tomorrow), I've gotten behind on stuff I promised people for last week. I'll know more toward the end of the week. Thanks.

Marc

From: Burri, Lance
Sent: Monday, May 13, 2013 9:45 AM
To: Shovers, Marc
Cc: VerVelde, Brandon; Castillo, Cecely
Subject: FW: LRB 1758

Marc, we've decided to only do #2, 3, and 4 – NOT #1. So the changes we want are: require that a TID be in decrement of at least 10% of its original assessed value for at least 2 years before this bill could be used; and limit a municipality to doing this only twice over the lifetime of a TID.

But we need to make it clear that this isn't one of the 4 allowable amendments to the TID's borders. This is separate from that.

Could you roll that in as a /2 this week?

Lance Burri
Office of Sen. Rick Gudex
608-266-5300

From: Burri, Lance
Sent: Tuesday, April 30, 2013 9:02 AM
To: Shovers, Marc
Cc: Lakin, Tim (Tim.Lakin@legis.wisconsin.gov)
Subject: LRB 1758

Marc, I'll be asking for a /2 of this bill soon. I've attached a document explaining what we want to change – it's just the first two pages that are relevant. They're supplying language for us, but obviously you should do it however is best.

One caveat: the #1 on that list, we're talking over. We think we'll want to do it differently than is described here. But just so you know something along those lines might be coming.

The things we know for sure we want to do are: require that a TID be in decrement of at least 10% of its original assessed value for at least 2 years before this bill could be used; and limit a municipality to doing this twice over the lifetime of a TID. So #2-4 are good to go.

Again, this is just an FYI. I'll let you know later this week what's going on.

Lance Burri
Office of Sen. Rick Gudex
608-266-5300

DRAFT 4/16/13

THE WORKING GROUP PROPOSES FOUR CHANGES TO THE DRAFT BILL:

- 1.) New language for New TID creation—treatment of improvement values for blight or rehab properties in any type of TID.
- 2.) Adding language limiting the change for handling decrement in existing districts to require the decrement to have existed for at least 2 years.
- 3.) Adding language limiting the change for handling decrement in existing districts to require the decrement amount to equal at least 10% of the district's original or amended base value.
- 4.) Adding language limiting the number of times a community can request the "reset" of value in a decrement situation to not more than 2 in any given district.

Under the explanatory "Analysis by Legislative Reference Bureau" on page 2, paragraph 3, add the proposed language in red italics below:

Under this bill, a city or village may adopt a resolution, subject to joint review board approval, requiring DOR to redetermine the tax incremental base of a TID which is in a decrement situation. The bill defines decrement situation as a situation in which the current aggregate equalized value of all the taxable property within the TID is less than the value of the TID's tax incremental base on the day on which it was created. DOR may charge the city or village \$1,000 for the redetermination. *In addition, under this bill, a city or village that creates a new TID that includes properties which have been determined to be blighted or in need of rehabilitation within the proposed TID may request, as part of the project plan, that the DOR exclude the value of any improvement on said property provided that said improvement has been shown to require significant renovation, demolition or environmental remediation. Upon said project plan approval by the Joint Review Board, the DOR shall certify the base value of the new district as the value of all taxable property within the district excluding the improvements on said properties that are blighted or in need of rehabilitation. This change for new TIDs will reduce the potential for decrement that would need to be restored before any positive cash flow could be generated from new development or redevelopment.*

To implement the proposed concept reflected in the proposed analysis narrative above, it is suggested that the following specific language be added to the law in the locations deemed most appropriate by the LRB:

As part of the project plan required under 66.1105 4.(f.), properties that are determined to be blighted or in need of rehabilitation or conservation that have improvements that require 1.) demolition or; 2.) significant renovation, rehabilitation or other blight remediation costs shall be identified.

For any property within a new tax increment district designated by the village or city as being blighted or in need of rehabilitation or conservation who's improvements have been identified as needing either demolition or significant renovation to enable the TID to generate new increment, the department of revenue shall certify the value of said improvements as 0 in determining the initial tax increment base of said new district.

For properties meeting this criteria, the vacant land definition described in section 66.1105 (4) (gm)1. ("Vacant property" includes property where the fair market value or replacement cost value of structural improvements on the parcel is less than the fair market value of the land") shall not apply so that these parcels will not be counted as "vacant" when applying the 7 year, 25% vacant land test.

To implement the 3 changes to the proposed bill that would limit the use of decrement base value recertifications for existing districts in response to the legislative staff input, the following changes are proposed to Section 1 on page 2 and Section 6 on page 5.

Section 1. 66.1105 (2)(aj) of the statutes is created to read:

66.1105 (2) (aj) "Decrement situation" means a situation in which the aggregate value, as equalized by the department of revenue, of all taxable property located within a tax incremental district on or about the date on which a resolution is adopted under sub.(5)(h)1. is 90% or less than the tax incremental base of that district and for which this condition has existed for a period of 2 or more years.

Section 6. 66.1105 (5)(h) of the statutes is created to read:

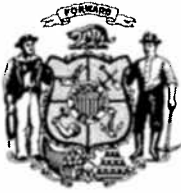
66.1105 (5) (h) 1. Not more than twice in the life of any tax increment district and Subject to subd.2. a local legislative body may adopt a resolution requiring the department of revenue to redetermine the tax incremental base of a district that is in a decrement situation.

WISCONSIN TIDS W DECREMENT VS BASE

			2012 Current	2012 Value	Original Base	% Decline vs	Current Value
	Commnity	TID #	TID Value	Increment	Value	Original Base	as % of
							Original Base
1	Algoma	1	7,232,800	(666,400)	7,899,200	8.44%	91.56%
2	Antigo	3	4,560,900	(605,100)	5,166,000	11.71%	88.29%
3	Balsam Lake	5	7,099,500	(635,600)	7,735,100	8.22%	91.78%
4	Baraboo	8	15,423,300	(2,093,300)	17,516,600	11.95%	88.05%
5		9	303,400	(40,700)	344,100	11.83%	88.17%
6	Barron	5	5,599,500	(96,700)	5,696,200	1.70%	98.30%
7	Belleville	4	1,933,400	(398,200)	2,331,600	17.08%	82.92%
8		5	6,359,900	(630,300)	6,990,200	9.02%	90.98%
9		5	343,300	(25,500)	368,800	6.91%	93.09%
10	Berlin	15	11,488,300	(1,003,200)	12,491,500	8.03%	91.97%
11	Biron	3	3,611,800	(285,400)	3,897,200	7.32%	92.68%
12	Black Earth	3	2,852,800	(236,500)	3,089,300	7.66%	92.34%
13		4	2,398,300	(524,200)	2,922,500	17.94%	82.06%
14	Boyceville	3	1,142,900	(377,600)	1,520,500	24.83%	75.17%
15	Brooklyn	1	4,323,900	(76,700)	4,400,600	1.74%	98.26%
16		1	776,000	(57,000)	833,000	6.84%	93.16%
17	Caledonia	1	12,651,600	(1,386,700)	14,038,300	9.88%	90.12%
18		3	27,939,500	(704,700)	28,644,200	2.46%	97.54%
19	Campbellsport	1	1,688,900	(74,400)	1,763,300	4.22%	95.78%
20	Cedarburg	2	1,283,400	(1,641,200)	2,924,600	56.12%	43.88%
21	DePere	7	12,153,800	(2,854,100)	15,007,900	19.02%	80.98%
22		8	32,495,000	(3,259,100)	35,754,100	9.12%	90.88%
23	Deerfield	4	2,009,900	(391,500)	2,401,400	16.30%	83.70%
24	Deforest	6	2,561,600	(3,155,300)	5,716,900	55.19%	44.81%
25		7	4,200,100	(291,900)	4,492,000	6.50%	93.50%
26	Ellsworth	9	406,900	(103,500)	510,400	20.28%	79.72%
27	Evansville	7	5,472,000	(629,700)	6,101,700	10.32%	89.68%
28	Fennimore	5	6,451,900	(507,000)	6,958,900	7.29%	92.71%
29	Fitchburg	8	4,002,700	(428,100)	4,430,800	9.66%	90.34%
30	Grafton	1	1,271,500	(91,500)	1,363,000	6.71%	93.29%
31	Green Bay	11	38,123,500	(3,434,700)	41,558,200	8.26%	91.74%
32		15	22,325,800	(5,510,500)	27,836,300	19.80%	80.20%
33		16	79,805,400	(15,435,200)	95,240,600	16.21%	83.79%
34	Greenfield	3	75,538,500	(192,500)	75,731,000	0.25%	99.75%
35	Gresham	1	981,400	(270,100)	1,251,500	21.58%	78.42%
36	Hartland	4	8,532,200	(4,996,900)	13,529,100	36.93%	63.07%
37	Howard	5	9,281,300	(591,100)	9,872,400	5.99%	94.01%
38	Janesville	28	1,973,200	(498,200)	2,471,400	20.16%	79.84%
39		30	19,904,600	(5,672,000)	25,576,600	22.18%	77.82%
40		31	16,955,000	(535,300)	17,490,300	3.06%	96.94%
41	Kaukauna	4	24,634,200	(1,459,900)	26,094,100	5.59%	94.41%
42		5	1,865,900	(2,309,000)	4,174,900	55.31%	44.69%
43	Kenosha	14	4,751,600	(650,600)	5,402,200	12.04%	87.96%
44	Lake Delton	4	24,433,800	(7,307,200)	31,741,000	23.02%	76.98%
45	Luck	2	4,410,900	(1,098,700)	5,509,600	19.94%	80.06%
46	Madison	38	47,425,500	(6,778,200)	54,203,700	12.51%	87.49%
47		40	141,704,200	(23,471,100)	165,175,300	14.21%	85.79%
48	Marshfield	6	2,378,400	(226,800)	2,605,200	8.71%	91.29%
49	Mayville	4	765,400	(1,844,100)	2,609,500	70.67%	29.33%
50	Mcfarland	4	7,491,500	(1,594,800)	9,086,300	17.55%	82.45%

WISCONSIN TIDS W DECREMENT VS BASE

			2012 Current	2012 Value	Original Base	% Decline vs	Current Value
	Commnity	TID #	TID Value	Increment	Value	Original Base	as % of
						Original Base	Original Base
51	Menasha	12	20,076,000	(1,639,600)	21,715,600	7.55%	92.45%
52	Menomonee Falls	10	39,640,500	(6,567,000)	46,207,500	14.21%	85.79%
53	Mequon	3	40,611,800	(471,300)	41,083,100	1.15%	98.85%
54	Merrill	8	13,616,300	(851,900)	14,468,200	5.89%	94.11%
55	Middleton	5	86,879,200	(2,786,300)	89,665,500	3.11%	96.89%
56	Milwaukee	58	4,421,300	(321,900)	4,743,200	6.79%	93.21%
57		65	2,665,300	(555,400)	3,220,700	17.24%	82.76%
58		66	27,742,800	(22,700,500)	50,443,300	45.00%	55.00%
59		71	64,801,800	(10,450,700)	75,252,500	13.89%	86.11%
60		72	25,919,000	(6,766,200)	32,685,200	20.70%	79.30%
61		74	57,707,700	(31,461,100)	89,168,800	35.28%	64.72%
62	New Holstien	3	947,700	(2,011,600)	2,959,300	67.98%	32.02%
63	New Lisbon	12	842,100	(537,300)	1,379,400	38.95%	61.05%
64		13	165,400	(115,500)	280,900	41.12%	58.88%
65	North Fond du La	2	3,838,200	(336,900)	4,175,100	8.07%	91.93%
66	Oconto	3	12,190,600	(1,225,600)	13,416,200	9.14%	90.86%
67		4	1,231,900	(196,700)	1,428,600	13.77%	86.23%
68	Onalaska	4	16,090,900	(1,142,500)	17,233,400	6.63%	93.37%
69	Oshkosh	20	16,894,400	(3,921,000)	20,815,400	18.84%	81.16%
70	Osseo	3	2,170,200	(300,300)	2,470,500	12.16%	87.84%
71	Portage	6	14,468,200	(2,441,900)	16,910,100	14.44%	85.56%
72	Racine	10	787,300	(393,100)	1,180,400	33.30%	66.70%
73		11	2,529,200	(650,500)	3,179,700	20.46%	79.54%
74	Random Lake	2	12,682,500	(404,500)	13,087,000	3.09%	96.91%
75	Reedsburg	8	1,773,100	(219,700)	1,992,800	11.02%	88.98%
76	Rice Lake	4	37,193,400	(13,653,400)	50,846,800	26.85%	73.15%
77	Rosendale	1	3,660,600	(247,000)	3,907,600	6.32%	93.68%
78	Sharon	4	913,700	(153,400)	1,067,100	14.38%	85.62%
79	Shorewood	3	8,625,900	(4,186,900)	12,812,800	32.68%	67.32%
80		4	7,726,800	(539,000)	8,265,800	6.52%	93.48%
81	Shorewood Hills	4	7,726,800	(539,000)	8,265,800	6.52%	93.48%
82	Sister Bay	1	42,660,900	(4,824,800)	47,485,700	10.16%	89.84%
83	Somerset	3	798,800	(336,700)	1,135,500	29.65%	70.35%
84		4	134,000	(951,700)	1,085,700	87.66%	12.34%
85	Spring Valley	3	1,117,100	(351,900)	1,469,000	23.96%	76.04%
86	Stevens Point	6	43,875,700	(2,429,900)	46,305,600	5.25%	94.75%
87		8	19,192,900	(592,400)	19,785,300	2.99%	97.01%
88	Sturgeon Bay	3	540,500	(376,400)	916,900	41.05%	58.95%
89	Sun Prairie	9	8,783,000	(2,020,400)	10,803,400	18.70%	81.30%
90		10	34,199,600	(10,604,900)	44,804,500	23.67%	76.33%
91	Superior	11	1,984,000	(403,000)	2,387,000	16.88%	83.12%
92	Twin Lakes	1	51,727,400	(1,410,600)	53,138,000	2.65%	97.35%
93	Union Grove	4	30,406,000	(1,526,700)	31,932,700	4.78%	95.22%
94	Waukesha	16	40,043,600	(9,931,100)	49,974,700	19.87%	80.13%
95	Waupaca	9	1,960,100	(248,000)	2,208,100	11.23%	88.77%
96	West Allis	6	759,000	(571,600)	1,330,600	42.96%	57.04%
97		10	1,347,300	(2,116,300)	3,463,600	61.10%	38.90%
98		11	1,587,800	(3,090,200)	4,678,000	66.06%	33.94%
99		12	221,800	(11,100)	232,900	4.77%	95.23%
100		13	474,000	(63,400)	537,400	11.80%	88.20%
	AVERAGES			(2,667,968)		18.36%	81.64%



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1758/1

MES:cjs:jt

stays
RMR

2013 BILL

SA ✓

repeal

1 AN ACT to amend 66.1105 (4m) (a), 66.1105 (4m) (b) 1., 66.1105 (4m) (b) 2. and
2 66.1105 (5) (a); and to create 66.1105 (2) (aj) and 66.1105 (5) (h) of the statutes;
3 relating to: authorizing a city or village to require the Department of Revenue
4 to redetermine the value of the tax incremental base of certain tax incremental
5 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

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.

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. If a TID's project plan is amended, current law authorizes DOR to redetermine the TID's tax incremental base. DOR may charge a city or village \$1,000 to determine or redetermine a TID's tax incremental base or, if a project plan amendment both adds and subtracts territory, DOR may impose a fee of \$2,000.

Under this bill, a city or village may adopt a resolution, subject to joint review board approval, requiring DOR to redetermine the tax incremental base of a TID which is in a decrement situation. The bill defines decrement situation as a situation in which the current aggregate equalized value of all the taxable property within the TID is less than the value of the TID's tax incremental base on the day on which it was created. DOR may charge the city or village \$1,000 for the redetermination.

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:

SECTION 1. 66.1105 (2) (aj) of the statutes is created to read:

66.1105 (2) (aj) "Decrement situation" means a situation in which the aggregate value, as equalized by the department of revenue, of all taxable property located within a tax incremental district on or about the date on which a resolution is adopted under sub. (5) (h) 1. is at least 10 percent less than the tax incremental base of that district. at current

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

66.1105 (4m) (a) Any city that seeks to create a tax incremental district, amend a project plan, have a district's tax incremental base redetermined under sub. (5) (h), or incur project costs as described in sub. (2) (f) 1. n. for an area that is outside of a district's boundaries, shall convene a temporary joint review board under this paragraph, or a standing joint review board under sub. (3) (g), to review the proposal.

at least 10 percent
twice during a TID's life span
and not more than

that has continued

for at least two consecutive years

aggregate

on the day on which it was created

at current

at least 10 percent

BILL

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

23 **SECTION 3.** 66.1105 (4m) (b) 1. of the statutes is amended to read:

24 66.1105 (4m) (b) 1. The board shall review the public record, planning
25 documents and the resolution passed by the local legislative body or planning

BILL**SECTION 3**

1 commission under sub. (4) (gm) or (h) 1., or sub. (5) (h) 1. As part of its deliberations
2 the board may hold additional hearings on the proposal.

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

4 66.1105 (4m) (b) 2. Except as provided in subd. 2m., no tax incremental district
5 may be created and no project plan may be amended unless the board approves the
6 resolution adopted under sub. (4) (gm) or (h) 1., and no tax incremental base may be
7 redetermined under sub. (5) (h) unless the board approves the resolution adopted
8 under sub. (5) (h) 1., by a majority vote within 30 days after receiving the resolution.

9 With regard to a multijurisdictional tax incremental district created under this
10 section, each public member of a participating city must be part of the majority that
11 votes for approval of the resolution or the district may not be created. The board may
12 not approve the resolution under this subdivision unless the board's approval
13 contains a positive assertion that, in its judgment, the development described in the
14 documents the board has reviewed under subd. 1. would not occur without the
15 creation of a tax incremental district. The board may not approve the resolution
16 under this subdivision unless the board finds that, with regard to a tax incremental
17 district that is proposed to be created by a city under sub. (17) (a), such a district
18 would be the only existing district created under that subsection by that city.

19 **SECTION 5.** 66.1105 (5) (a) of the statutes is amended to read:

20 66.1105 (5) (a) Subject to sub. (8) (d), upon the creation of a tax incremental
21 district ~~or~~, upon adoption of any amendment subject to par. (c), or upon the adoption
22 and approval of a resolution under par. (h), its tax incremental base shall be
23 determined or redetermined as soon as reasonably possible. The department of
24 revenue may impose a fee of \$1,000 on a city to determine or redetermine the tax
25 incremental base of a tax incremental district under this subsection, except that if

BILL

1 the redetermination is based on a single amendment to a project plan that both adds
2 and subtracts territory, the department may impose a fee of \$2,000.

3 **SECTION 6.** 66.1105 (5) (h) of the statutes is created to read:

4 66.1105 (5) (h) 1. Subject to subd. ^{s, and 3.} 2, a local legislative body may adopt a
5 resolution requiring the department of revenue to redetermine the tax incremental
6 base of a district that is in a decrement situation that has continued for at least 2 consecutive years

7 2. A resolution adopted under subd. 1. may not take effect unless it is approved
8 by a joint review board under sub. (4m), acting as it would if the district's project plan
9 was to be amended.

10 3. ^{4.} Upon approval by a joint review board under subd. 2., the department of
11 revenue shall redetermine the tax incremental base of the district under par. (a).

12 (END)

A local legislative body may not adopt a resolution under subd. 1. more than twice during the life of a tax incremental district.

Basford, Sarah

From: Burri, Lance
Sent: Monday, August 05, 2013 1:48 PM
To: LRB.Legal
Subject: Draft Review: LRB -1758/2 Topic: Allow redetermination of tax incremental base in certain tax incremental districts (TID)

Please Jacket LRB -1758/2 for the SENATE.