

**2015 DRAFTING REQUEST**

**Bill**

Received: **4/21/2015** Received By: **mshovers**  
For: **Jerry Petrowski (608) 266-2502** Same as LRB:  
May Contact: By/Representing: **Derek**  
Subject: **Local Gov't - tax incr financing** Drafter: **mshovers**  
Addl. Drafters:  
Extra Copies:

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

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**Pre Topic:**

No specific pre topic given

---

**Topic:**

Extend the life, expenditure period for tax incremental district (TID) #1 in the Village of Weston

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**Instructions:**

See attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mshovers 4/28/2015		_____			
/P1	mshovers 6/2/2015	eweiss 5/1/2015	_____	srose 5/1/2015		Local
/P2	mshovers 9/2/2015	eweiss 6/2/2015	_____	sbasford 6/2/2015		Local
/1		eweiss	_____	mbarman	sbasford	Local

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
		9/3/2015	_____	9/3/2015	9/3/2015	

FE Sent For:

*at  
intro*

<END>

**2015 DRAFTING REQUEST**

**Bill**

Received: 4/21/2015 Received By: mshovers  
For: Jerry Petrowski (608) 266-2502 Same as LRB:  
May Contact: By/Representing: Derek  
Subject: Local Gov't - tax incr financing Drafter: mshovers  
Addl. Drafters:  
Extra Copies:

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

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Extend the life, expenditure period for tax incremental district (TID) #1 in the Village of Weston

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**Instructions:**

See attached

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/?	mshovers 4/28/2015		_____			
/P1	mshovers 6/2/2015	eweiss 5/1/2015	_____	srose 5/1/2015		Local
/P2	mshovers 9/2/2015	eweiss 6/2/2015	_____	sbasford 6/2/2015		Local
/1		eweiss	_____	mbarman		Local

per  
MES

Vers.    Drafted

Reviewed  
9/3/2015

Proofed  
\_\_\_\_\_

Submitted  
9/3/2015

Jacketed

Required

FE Sent For:

<END>

## Shovers, Marc

---

**From:** Punches, Derek  
**Sent:** Monday, April 20, 2015 3:46 PM  
**To:** Shovers, Marc  
**Subject:** Draft Request: Various TIF Changes in Village of Weston

Good afternoon, Marc –

Our office would like to have a bill drafted to do all of the following:

- 1) Increase the maximum life of TID #1 in the Village of Weston by an additional ten years;
- 2) Increase the expenditure period of TID #1 by an additional ten years;
- 3) Allow the Village of Weston to make one additional amendment to the project plan of TID #1, notwithstanding the requirement that the total equalized value not exceed 12 percent per s. 66.1105 (4) (gm) 4. c.

Regarding 3) above, I do believe there is statutory precedent for such an exception from the 12 percent equalized value test, but it is unclear to me whether you need further information to draft that portion. Please let me know if that is the case.

As always, do not hesitate to contact me with questions or concerns.

---

Derek Punches  
Clerk, Senate Committee on Transportation and Veterans Affairs  
Office of Senator Jerry Petrowski  
29th Senate District  
(608) 266-2502

**Shovers, Marc**

---

**From:** Punches, Derek  
**Sent:** Tuesday, April 28, 2015 1:08 PM  
**To:** Shovers, Marc  
**Subject:** RE: Draft Request: Various TIF Changes in Village of Weston

Marc –

Hope this helps. Please let me know if you need any further information.

Weston TID #1

*clj under a. 601005 (Y) (gm) 2. on 4/1/99*

Creation: 3/30/1998  
Expenditures: 3/30/2016 (18 years from inception)  
Max. Life: 3/30/2021 (23 years from inception)

---

Derek Punches  
Clerk, Senate Committee on Transportation and Veterans Affairs  
Office of Senator Jerry Petrowski  
29th Senate District  
(608) 266-2502

---

**From:** Shovers, Marc  
**Sent:** Tuesday, April 28, 2015 1:02 PM  
**To:** Punches, Derek  
**Subject:** RE: Draft Request: Various TIF Changes in Village of Weston

Hi Derek:

Could you please let me know the current date on which TID # 1's life is supposed to end and how many years it was originally authorized to exist, and the date on which its expenditure period is supposed to end? Thanks.

Marc

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

---

**From:** Punches, Derek  
**Sent:** Monday, April 20, 2015 3:46 PM  
**To:** Shovers, Marc  
**Subject:** Draft Request: Various TIF Changes in Village of Weston

Good afternoon, Marc –

Our office would like to have a bill drafted to do all of the following:

- 1) Increase the maximum life of TID #1 in the Village of Weston by an additional ten years;
- 2) Increase the expenditure period of TID #1 by an additional ten years;
- 3) Allow the Village of Weston to make one additional amendment to the project plan of TID #1, notwithstanding the requirement that the total equalized value not exceed 12 percent per s. 66.1105 (4) (gm) 4. c.

Regarding 3) above, I do believe there is statutory precedent for such an exception from the 12 percent equalized value test, but it is unclear to me whether you need further information to draft that portion. Please let me know if that is the case.

As always, do not hesitate to contact me with questions or concerns.

---

Derek Panches  
Clerk, Senate Committee on Transportation and Veterans Affairs  
Office of Senator Jerry Petrowski  
29th Senate District  
(608) 266-2502



State of Wisconsin  
2015 - 2016 LEGISLATURE

LRB-2273/P  
MES.....

emw

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

FN 4/28  
WANTED  
5/1

S.A.V  
Xref ✓

gen

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- 2
- 3
- 4

**AN ACT ...; 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 <sup>one</sup> in the Village of Weston.

**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 under certain conditions. 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.

Currently, before a TID may be created or its project plan amended, the city or village must adopt a resolution containing a finding that the equalized value of taxable property of the TID plus the value increment of all existing TIDs does not exceed 12 percent of the total equalized value of taxable property in the city or village (the 12 percent test), subject to one general exception. Under the exception, a city or village may simultaneously create a new TID and subtract territory from an existing TID without adopting a resolution containing the 12 percent test if the city or village demonstrates to DOR that the value of the territory that is subtracted at least equals the amount that DOR believes is necessary to ensure that, when the new TID is created, the 12 percent test is met. The city or village must also certify to DOR that no other district created under this exception currently exists in the city or village.

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 1 in the village of Weston, the local planning commission may amend the project plan of the TID not more than five times, expenditures for project costs may be made for up to 28 years after the TID was created, DOR may allocate tax increments for up to 33 years after the TID's creation, the maximum life of the TID is extended for 10 years, and the 12 percent test does not apply if the limit is exceeded because of the amendment of the project plan of that TID.

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., 8., 9., and 10., and 11.,
- 3           the planning commission may adopt an amendment to a project plan under subd. 1.

1 to modify the district's boundaries, not more than 4 times during the district's  
2 existence, by subtracting territory from the district in a way that does not remove  
3 contiguity from the district or by adding territory to the district that is contiguous  
4 to the district and that is served by public works or improvements that were created  
5 as part of the district's project plan. A single amendment to a project plan that both  
6 adds and subtracts territory shall be counted under this subdivision as one  
7 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, 137, 139; 2011 a. 260 s. 81; 2013 a. 2, 32, 90; 2013 a. 165 ss. 43, 44, 114; 2013 a. 173 s. 32; 2013 a. 183, 193, 284, 299; s. 35.17 correction in (5) (i) 1., (17) (a) (intro.), 3.

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

9 66.1105 (4) (h) 11. Notwithstanding the limitation in subd. 2., the planning  
10 commission in the village of Weston may adopt an amendment to a project plan under  
11 subd. 1. to modify the boundaries of Tax Incremental District Number 1 not more  
12 than 5 times during the district's existence. A single amendment to a project plan  
13 that both adds and subtracts territory shall be counted under this subdivision as one  
14 amendment of a project plan.

15 **SECTION 3.** 66.1105 (6) (a) ~~12~~<sup>13</sup> of the statutes is created to read:

16 66.1105 (6) (a) ~~12~~<sup>13</sup> Thirty-three years after the tax incremental district is  
17 created if the district is Tax Incremental District Number ~~3~~<sup>1</sup> in the village of Weston.

18 **SECTION 4.** 66.1105 (6) (am) 2. h. of the statutes is created to read:

19 66.1105 (6) (am) 2. h. Expenditures for project costs for Tax Incremental  
20 District Number 1 in the village of Weston. Such expenditures may be made no later  
21 than 28 years after the district is created and may be made through 2026.

22 **SECTION 5.** 66.1105 (7) (ak) 2. of the statutes is amended to read:

1 66.1105 (7) (ak) 2. For a district that is created after September 30, 1995, and  
 2 before October 1, 2004, and that is not subject to subd. 1. or <sup>✓</sup>4., 23 years after the  
 3 district was created, and, except as provided in subd. 3., for a district that is created  
 4 before October 1, 1995, 27 years after the district is created.

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, 137, 139; 2011 a. 260 s. 81; 2013 a. 2, 32, 90; 2013 a. 165 ss. 43, 44, 114; 2013 a. 173 s. 32; 2013 a. 183, 193, 284, 299; s. 35.17 correction in (5) (i) 1., (17) (a) (intro.), 3.

5 SECTION 6. 66.1105 (7) (ak) 4. of the statutes is created to read:

6 66.1105 (7) (ak) 4. For Tax Incremental District # <sup>the Number</sup> 1 in the village of Weston,  
 7 33 years after the district is created.

8 SECTION 7. 66.1105 (17) (d) of the statutes is created to read:

9 66.1105 (17) (d) *Village of Weston exception.* The 12 percent limit described  
 10 under sub. (4) (gm) 4. c. does not apply to an amendment to a project plan, as  
 11 described under sub. (4) (h) 11., that is adopted by the planning commission of the  
 12 village of Weston.

13 (END)

**Shovers, Marc**

---

**From:** Punches, Derek  
**Sent:** Monday, May 04, 2015 12:36 PM  
**To:** Shovers, Marc  
**Subject:** RE: Draft Request: Various TIF Changes in Village of Weston

Marc –

Thanks for getting back to me quickly with this draft. Per our phone conversation, I would like to request a couple of modifications to the /P1 we received.

- 1) Eliminate Section 2 of the bill draft. We do not intend to allow the Village of Weston to make an additional project plan amendment in excess of the current four they are afforded. [This was my mistake in the original wording of the draft instructions.]
- 2) Clarify that the exception provided in Section 7 of the bill draft applies only once. With three project plan amendments still available to the village, only one may be used to alter the TID boundaries without the application of the 12 percent limit described under sub. (4) (gm) 4. C.

Please have this request drafted as /P2 until we have had the opportunity to review the language with stakeholders. Do not hesitate to contact me with any questions or comments.

Best regards,  
Derek

---

Derek Punches  
Clerk, Senate Committee on Transportation and Veterans Affairs  
Office of Senator Jerry Petrowski  
29th Senate District  
(608) 266-2502

---

**From:** Punches, Derek  
**Sent:** Tuesday, April 28, 2015 1:08 PM  
**To:** Shovers, Marc  
**Subject:** RE: Draft Request: Various TIF Changes in Village of Weston

Marc –

Hope this helps. Please let me know if you need any further information.

Weston TID #1

Creation: 3/30/1998  
Expenditures: 3/30/2016 (18 years from inception)  
Max. Life: 3/30/2021 (23 years from inception)

---

Derek Punches  
Clerk, Senate Committee on Transportation and Veterans Affairs  
Office of Senator Jerry Petrowski  
29th Senate District  
(608) 266-2502

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**From:** Shovers, Marc  
**Sent:** Tuesday, April 28, 2015 1:02 PM

**To:** Punches, Derek

**Subject:** RE: Draft Request: Various TIF Changes in Village of Weston

Hi Derek:

Could you please let me know the current date on which TID # 1's life is supposed to end and how many years it was originally authorized to exist, and the date on which its expenditure period is supposed to end? Thanks.

Marc

Marc Shovers  
Senior Legislative Attorney  
Legislative Reference Bureau  
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[marc.shovers@legis.wisconsin.gov](mailto:marc.shovers@legis.wisconsin.gov)

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**To:** Shovers, Marc  
**Subject:** Draft Request: Various TIF Changes in Village of Weston

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- 2) Increase the expenditure period of TID #1 by an additional ten years;
- 3) Allow the Village of Weston to make one additional amendment to the project plan of TID #1, notwithstanding the requirement that the total equalized value not exceed 12 percent per s. 66.1105 (4) (gm) 4. c.

Regarding 3) above, I do believe there is statutory precedent for such an exception from the 12 percent equalized value test, but it is unclear to me whether you need further information to draft that portion. Please let me know if that is the case.

As always, do not hesitate to contact me with questions or concerns.

---

Derek Punches  
Clerk, Senate Committee on Transportation and Veterans Affairs  
Office of Senator Jerry Petrowski  
29th Senate District  
(608) 266-2502



P2

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

Wanted  
6/3

reger

S.A. ✓

1 **AN ACT to amend** 66.1105 (4) (h) 2. and 66.1105 (7) (ak) 2.; and **to create** 66.1105  
 2 (4) (h) 11., 66.1105 (6) (a) 13., 66.1105 (6) (am) 2. h., 66.1105 (7) (ak) 4. and  
 3 66.1105 (17) (d) of the statutes; **relating to:** increasing the allowable number  
 4 of project plan amendments and lengthening the time during which tax  
 5 increments may be allocated and expenditures for project costs may be made  
 6 for Tax Incremental District Number One in the village of Weston.

***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 under certain conditions. 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.

Currently, before a TID may be created or its project plan amended, the city or village must adopt a resolution containing a finding that the equalized value of taxable property of the TID plus the value increment of all existing TIDs does not exceed 12 percent of the total equalized value of taxable property in the city or village (the 12 percent test), subject to one general exception. Under the exception, a city or village may simultaneously create a new TID and subtract territory from an existing TID without adopting a resolution containing the 12 percent test if the city or village demonstrates to DOR that the value of the territory that is subtracted at least equals the amount that DOR believes is necessary to ensure that, when the new TID is created, the 12 percent test is met. The city or village must also certify to DOR that no other district created under this exception currently exists in the city or village.

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 One in the village of Weston, the ~~local planning commission may amend the project plan of the TID not more than five times~~, expenditures for project costs may be made for up to 28 years after the TID was created, DOR may allocate tax increments for up to 33 years after the TID's creation, the maximum life of the TID is extended for ten years, and the 12 percent test does not apply if the limit is exceeded because of the amendment of the project plan of that TID. *on a one-time basis,*

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:

1 66.1105 (4) (h) 2. Except as provided in subds. 4., 5., 7., 8., 9., and 10., and 11.,  
2 the planning commission may adopt an amendment to a project plan under subd. 1.  
3 to modify the district's boundaries, not more than 4 times during the district's  
4 existence, by subtracting territory from the district in a way that does not remove  
5 contiguity from the district or by adding territory to the district that is contiguous  
6 to the district and that is served by public works or improvements that were created  
7 as part of the district's project plan. A single amendment to a project plan that both  
8 adds and subtracts territory shall be counted under this subdivision as one  
9 amendment of a project plan.

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

11 66.1105 (4) (h) 11. Notwithstanding the limitation in subd. 2., the planning  
12 commission in the village of Weston may adopt an amendment to a project plan under  
13 subd. 1. to modify the boundaries of Tax Incremental District Number 1 not more  
14 than 5 times during the district's existence. A single amendment to a project plan  
15 that both adds and subtracts territory shall be counted under this subdivision as one  
16 amendment of a project plan.

17 SECTION 3. 66.1105 (6) (a) 13. of the statutes is created to read:

18 66.1105 (6) (a) 13. Thirty-three years after the tax incremental district is  
19 created if the district is Tax Incremental District Number 1 in the village of Weston.

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

21 66.1105 (6) (am) 2. h. Expenditures for project costs for Tax Incremental  
22 District Number 1 in the village of Weston. Such expenditures may be made no later  
23 than 28 years after the district is created and may be made through 2026.

24 SECTION 5. 66.1105 (7) (ak) 2. of the statutes is amended to read:



SECTION 5

1           66.1105 (7) (ak) 2. For a district that is created after September 30, 1995, and  
2 before October 1, 2004, and that is not subject to subd. 1. or 4., 23 years after the  
3 district was created, and, except as provided in subd. 3., for a district that is created  
4 before October 1, 1995, 27 years after the district is created.

5           **SECTION 6.** 66.1105 (7) (ak) 4. of the statutes is created to read:

6           66.1105 (7) (ak) 4. For Tax Incremental District Number 1 in the village of  
7 Weston, 33 years after the district is created.

for Tax Incremental  
District Number 1  
in the village of  
Weston

8           **SECTION 7.** 66.1105 (17) (d) of the statutes is created to read:

9           66.1105 (17) (d) *Village of Weston exception.* The 12 percent limit described  
10 under sub. (4) (gm) 4. c. does not apply to an amendment to a project plan, as

11 described under sub. (4) (h) 11., that is adopted by the planning commission of the  
12 village of Weston.

*The exception in this paragraph may  
not be used for more than one amendment of that  
project plan.*

~~(END)~~

## Shovers, Marc

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**From:** Punches, Derek  
**Sent:** Wednesday, September 02, 2015 9:57 AM  
**To:** Shovers, Marc  
**Subject:** RE: Draft Request: Various TIF Changes in Village of Weston

Marc,

You've brought up some good points. After further conversation with the village, no changes should be made to the language. The village will be able to operate under the provisions of the bill.

Can you have -2273 drafted as a /1 and sent over to us?

Thank you for your help on this.

---

Derek Punches  
Clerk, Senate Committee on Transportation and Veterans Affairs  
Office of Senator Jerry Petrowski  
29th Senate District  
(608) 266-2502

---

**From:** Shovers, Marc  
**Sent:** Friday, August 28, 2015 3:40 PM  
**To:** Punches, Derek <Derek.Punches@legis.wisconsin.gov>  
**Subject:** RE: Draft Request: Various TIF Changes in Village of Weston

Hi Derek:

I've looked at this a little bit and it appears that there's no statutory authority for a CDA to adopt amendments to a TID's project plan so I'm not sure how or why the village used a CDA for such recommendations. See s. 66.1105 (4) (h) 1. and 2., which describe how a planning commission may adopt an amendment to a project plan. The amendment, then, is subject to approval by the common council or village board.

I suppose "planning commission" on page 3, line 16, could be changed to say "CDA" but, as I've indicated, a CDA had no authority to adopt an amendment to a project plan. Please let me know how you'd like to proceed. Thanks.

Marc

Here's one of the relevant statutes:

66.1105(4)(h)1.

1. Subject to subds. 2., 4., 5., and 6., **the planning commission may, by resolution, adopt an amendment to a project plan.** The amendment is subject to approval by the local legislative body and approval requires the same findings as provided in par. (g) and, if the amendment adds territory to a district under subd. 2., approval also requires the same findings as provided in par. (gm) 4.
- c. Any amendment to a project plan is also subject to review by a joint review board, acting under

sub. (4m). Adoption of an amendment to a project plan shall be preceded by a public hearing held by the plan commission at which interested parties shall be afforded a reasonable opportunity to express their views on the amendment. Notice of the hearing shall be published as a class 2 notice, under ch. 985. The notice shall include a statement of the purpose and cost of the amendment and shall advise that a copy of the amendment will be provided on request. Before publication, a copy of the notice shall be sent by 1st class mail to the chief executive officer or administrator of all local governmental entities having the power to levy taxes on property within the district and to the school board of any school district which includes property located within the proposed district. For a county with no chief executive officer or administrator, this notice shall be sent to the county board chairperson.

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**From:** Punches, Derek  
**Sent:** Thursday, August 27, 2015 10:34 AM  
**To:** Shovers, Marc <Marc.Shovers@legis.wisconsin.gov>  
**Subject:** RE: Draft Request: Various TIF Changes in Village of Weston

Marc –

I hope August has been treating you well now that it's gotten quiet around here. As we're now ramping up for the fall session, I want to circle back with you now after a follow-up discussion I've had with our local municipality.

While reviewing with the village administrator, he mentioned a potential issue with the language on page 3, line 16, regarding the "planning commission of the Village of Weston." He indicated that, since 2002, all amendment considerations and financial decisions related to TIF are reviewed and recommended by the Community Development Authority, not the Plan Commission.

Do you find it necessary to change the wording in this section?

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Derek Punches  
Clerk, Senate Committee on Transportation and Veterans Affairs  
Office of Senator Jerry Petrowski  
29th Senate District  
(608) 266-2502

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**From:** Shovers, Marc  
**Sent:** Thursday, May 28, 2015 2:34 PM  
**To:** Punches, Derek <Derek.Punches@legis.wisconsin.gov>  
**Subject:** RE: Draft Request: Various TIF Changes in Village of Weston

Hi Derek:

I'll try to get it out this week, although I'm sort of caught up in the budget vortex right now. Thanks for checking.

Marc

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**From:** Punches, Derek  
**Sent:** Wednesday, May 27, 2015 4:42 PM  
**To:** Shovers, Marc  
**Subject:** RE: Draft Request: Various TIF Changes in Village of Weston

Marc –

I just want to circle back with you quickly regarding the changes to the bill draft below.

When can we expect to see an updated version of the draft?

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Derek Punches  
Clerk, Senate Committee on Transportation and Veterans Affairs  
Office of Senator Jerry Petrowski  
29th Senate District  
(608) 266-2502

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**From:** Punches, Derek  
**Sent:** Monday, May 04, 2015 12:36 PM  
**To:** Shovers, Marc  
**Subject:** RE: Draft Request: Various TIF Changes in Village of Weston

Marc –

Thanks for getting back to me quickly with this draft. Per our phone conversation, I would like to request a couple of modifications to the /P1 we received.

- 1) Eliminate Section 2 of the bill draft. We do not intend to allow the Village of Weston to make an additional project plan amendment in excess of the current four they are afforded. [This was my mistake in the original wording of the draft instructions.]
- 2) Clarify that the exception provided in Section 7 of the bill draft applies only once. With three project plan amendments still available to the village, only one may be used to alter the TID boundaries without the application of the 12 percent limit described under sub. (4) (gm) 4. C.

Please have this request drafted as /P2 until we have had the opportunity to review the language with stakeholders. Do not hesitate to contact me with any questions or comments.

Best regards,  
Derek

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Derek Punches  
Clerk, Senate Committee on Transportation and Veterans Affairs  
Office of Senator Jerry Petrowski  
29th Senate District  
(608) 266-2502

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**From:** Punches, Derek  
**Sent:** Tuesday, April 28, 2015 1:08 PM  
**To:** Shovers, Marc  
**Subject:** RE: Draft Request: Various TIF Changes in Village of Weston

Marc –

Hope this helps. Please let me know if you need any further information.

Weston TID #1

Creation: 3/30/1998  
Expenditures: 3/30/2016 (18 years from inception)  
Max. Life: 3/30/2021 (23 years from inception)

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Derek Punches

Clerk, Senate Committee on Transportation and Veterans Affairs  
Office of Senator Jerry Petrowski  
29th Senate District  
(608) 266-2502

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**From:** Shovers, Marc  
**Sent:** Tuesday, April 28, 2015 1:02 PM  
**To:** Punches, Derek  
**Subject:** RE: Draft Request: Various TIF Changes in Village of Weston

Hi Derek:

Could you please let me know the current date on which TID # 1's life is supposed to end and how many years it was originally authorized to exist, and the date on which its expenditure period is supposed to end? Thanks.

Marc

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

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**From:** Punches, Derek  
**Sent:** Monday, April 20, 2015 3:46 PM  
**To:** Shovers, Marc  
**Subject:** Draft Request: Various TIF Changes in Village of Weston

Good afternoon, Marc –

Our office would like to have a bill drafted to do all of the following:

- 1) Increase the maximum life of TID #1 in the Village of Weston by an additional ten years;
- 2) Increase the expenditure period of TID #1 by an additional ten years;
- 3) Allow the Village of Weston to make one additional amendment to the project plan of TID #1, notwithstanding the requirement that the total equalized value not exceed 12 percent per s. 66.1105 (4) (gm) 4. c.

Regarding 3) above, I do believe there is statutory precedent for such an exception from the 12 percent equalized value test, but it is unclear to me whether you need further information to draft that portion. Please let me know if that is the case.

As always, do not hesitate to contact me with questions or concerns.

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Derek Punches  
Clerk, Senate Committee on Transportation and Veterans Affairs  
Office of Senator Jerry Petrowski

29th Senate District  
(608) 266-2502



**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

Thurs.

No changes

Jacket for (5)

S.A. ✓

repen

1 **AN ACT to amend** 66.1105 (7) (ak) 2.; and **to create** 66.1105 (6) (a) 13., 66.1105  
2 (6) (am) 2. h., 66.1105 (7) (ak) 4. and 66.1105 (17) (d) of the statutes; **relating**  
3 **to:** lengthening the time during which tax increments may be allocated and  
4 expenditures for project costs may be made for Tax Incremental District  
5 Number One in the village of Weston.

***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 under certain conditions. 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.

Currently, before a TID may be created or its project plan amended, the city or village must adopt a resolution containing a finding that the equalized value of taxable property of the TID plus the value increment of all existing TIDs does not exceed 12 percent of the total equalized value of taxable property in the city or village (the 12 percent test), subject to one general exception. Under the exception, a city or village may simultaneously create a new TID and subtract territory from an existing TID without adopting a resolution containing the 12 percent test if the city or village demonstrates to DOR that the value of the territory that is subtracted at least equals the amount that DOR believes is necessary to ensure that, when the new TID is created, the 12 percent test is met. The city or village must also certify to DOR that no other district created under this exception currently exists in the city or village.

Under this bill, with regard to TID Number One in the village of Weston, the expenditures for project costs may be made for up to 28 years after the TID was created, DOR may allocate tax increments for up to 33 years after the TID’s creation, the maximum life of the TID is extended for ten years, and the 12 percent test does not apply, on a one-time basis, if the limit is exceeded because of the amendment of the project plan of that TID.

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 (6) (a) 13. of the statutes is created to read:  
2           66.1105 (6) (a) 13. Thirty-three years after the tax incremental district is  
3 created if the district is Tax Incremental District Number 1 in the village of Weston.

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





**Barman, Mike**

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**From:** LRB.Legal  
**To:** Sen.Petrowski@legis.wisconsin.gov  
**Subject:** Draft review: LRB -2273/1 Topic: Extend the life, expenditure period for tax incremental district (TID) #1 in the Village of Weston  
**Attachments:** 15-2273/1

**State of Wisconsin - Legislative Reference Bureau**  
**One East Main Street - Suite 200 - Madison**

**The attached draft was prepared at your request. Please review it carefully to ensure that it satisfies your intent.** If you have any questions concerning the draft or would like to have it redrafted, please contact Marc E. Shovers, Senior Legislative Attorney, at (608) 266-0129, at [marc.shovers@legis.wisconsin.gov](mailto:marc.shovers@legis.wisconsin.gov), or at One East Main Street, Suite 200.

**We will jacket this draft for introduction in the Senate.**

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will submit a request to DOA when the draft is introduced. You may obtain a fiscal estimate on the draft prior to introduction by contacting our program assistants at [LRB.Legal@legis.wisconsin.gov](mailto:LRB.Legal@legis.wisconsin.gov) or at (608) 266-3561. If you requested a fiscal estimate on an earlier version of this draft and would like to obtain a fiscal estimate on the current version before it is introduced, you will need to request a revised fiscal estimate from our program assistants.

**Please call our program assistants at (608) 266-3561 if you have any questions regarding this email.**