



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2017 Wisconsin Act 15
[2017 Senate Bill 51]

**Changes to the Tax Incremental
Financing Statutes**

2017 WISCONSIN ACT 15

2017 Wisconsin Act 15 (the Act) makes changes regarding: (1) property included in the base value for a town tax increment district (TID); (2) eligible project costs for mixed-use TIDS; (3) deadlines for providing notice of TID project plan amendments to the Department of Revenue (DOR); (4) the effective dates of TID terminations; (5) deadlines for payments of certain administrative fees; and (6) deadlines and fees associated with annual TID reports.

Property Included in the Base Value for a Town TID

Under prior law, certain town property was included in the base value for a town TID. The Act excludes this property from the base value for a town TID.

Eligible Project Costs for Mixed-Use TIDS

Under prior law, costs that directly serve to promote mixed-use development were not included in the list of eligible project costs for mixed-use TIDS. The Act adds these costs to the list of eligible project costs for mixed-use TIDS.

Deadline for Notice of TID Project Plan Amendments

Under current law, a town or city clerk is required to provide written notice to DOR of any amendment to a TID project plan that has been adopted, both: (1) within 60 days after the adoption; and (2) annually, after May 1 but before May 21. The Act retains the first notice requirement, and it repeals the second notice requirement effective January 1, 2018.

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.wisconsin.gov>.

Effective Dates of TID Terminations

Current law, unchanged by the Act, requires a political subdivision that creates a TID to provide DOR with written notice of the termination of a TID within 10 days of the termination.

Under current law, the effective date of the termination of a TID is the date on which DOR receives the notice, if the notice is received during the period from January 1 to **May 15**. However, the effective date of the termination of a TID is the first January 1 after the notice is received by DOR, if the notice is received during the period from **May 16** to December 31.

Under the Act, beginning on January 1, 2018, the effective date of the termination of a TID is the date on which DOR receives the notice, if the notice is received during the period from January 1 to **April 15**. However, the effective date of the termination of a TID is the first January 1 after the notice is received by DOR, if the notice is received during the period from **April 16** to December 31.

Deadline for Payment of Certain Administrative Fees

Current law, unchanged by the Act, requires DOR to charge a political subdivision that is allocated a tax increment an annual administrative fee of \$150.

Current law requires the fee to be paid by **May 15**. Under the Act, effective January 1, 2018, the fee must be paid by **April 15**.

Deadlines and Fees Associated With Annual TID Reports

Current law, unchanged by the Act, requires a political subdivision to annually report on the status of each TID and submit a copy of the report to DOR by a specified deadline. Current law permits a political subdivision to request an extension for either 60 days or an undefined amount of time. The Act retains the option of a 60-day extension, and it repeals the option of an extension for an undefined period of time beginning on January 1, 2018.

Current law, unchanged by the Act, authorizes DOR to charge a fee of \$100 per day for each day that a report is past due. Beginning on January 1, 2018, the Act limits the total amount of fees that may be charged to \$6,000. If the fees are not paid, the Act requires DOR to reduce and withhold the amount of shared revenue payments to a political subdivision by an amount equal to the unpaid fees.

Effective dates: On October 1, 2015, the changes that exclude certain town property from the base value of a town TID took effect. On June 23, 2017, the changes regarding eligible project costs for mixed-use TIDS took effect. On January 1, 2018, the changes regarding: (1) deadlines for notice of TID project plan amendments; (2) effective date of TID terminations; (3) deadlines for payments of certain administrative fees; and (4) deadlines and fees associated with annual TID reports take effect.

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