

**2019 DRAFTING REQUEST**

**Bill**

For: **Administration-Budget 6-1923**                      Drafter: **mshovers**  
 By: **Quinn**    Secondary Drafters:  
 Date: **1/30/2019**    May Contact:

Same as LRB:

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

**Pre Topic:**

DOA:.....Quinn, BB0241 -

**Topic:**

TIF district developer grant limitations (TID)

**Instructions:**

See attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	mshovers 2/17/2019	ccarmich 1/31/2019	mbarman 1/31/2019		State S&L
/P2		ccarmich 2/18/2019	dwalker 2/18/2019		State S&L

FE Sent For: **<END>**

**Shovers, Marc**

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**From:** Cathlene Hanaman <cathleneh@gmail.com>  
**Sent:** Wednesday, January 30, 2019 7:04 AM  
**To:** Shovers, Marc; Mueller, Eric  
**Subject:** Fwd: Statutory Language Drafting Request - 2019-21

Sent from my iPhone

Begin forwarded message:

Biennial Budget: 2019-21

Topic: TIF District Developer Grant Limitations

Tracking Code: BB0240

SBO Team: TLGED

SBO Analyst: Quinn, Brian D - DOA

Phone: (608) 266-1923

E-mail: [brian.quinn@wisconsin.gov](mailto:brian.quinn@wisconsin.gov)

Agency Acronym: 835

Agency Number: 835

Priority: Medium

Intent:

Specify that cash grants made by a municipality to owners, lessees, or developers of land subject to a development agreement may not exceed 20 percent of the total project costs of a tax incremental finance district. This limitation extends to financing costs attributable to the grants.

Attachments: False

Please send completed drafts to [SBOSatlanguage@spsmail.enterprise.wistate.us](mailto:SBOSatlanguage@spsmail.enterprise.wistate.us)



DOA:.....Quinn, BB0241 - TIF district developer grant limitations (TID)

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

S/A ✓  
X-ref ✓  
S/C ✓

1 AN ACT <sup>φ</sup>...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**LOCAL GOVERNMENT**

This bill limits the amount of cash grants that may be made by a political subdivision to a person for project costs of a tax incremental financing district.

Under the current tax incremental financing program, a city or village may create a 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 limited 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.

Currently, a project plan must include a number of elements, such as information regarding the kind, number, and location of all proposed public works or improvements within the district, an economic feasibility study, a detailed list of estimated project costs, and a description of financing methods for the project costs. Generally, project costs are defined to include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service



## Shovers, Marc

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**From:** Quinn, Brian D - DOA  
**Sent:** Sunday, February 17, 2019 3:49 PM  
**To:** Shovers, Marc  
**Subject:** TIF Cash Grant Limit Draft - 1709/p1

Marc,

On this one, would you read the language limiting the project cost share that can go to developer cash grants to be inclusive of all developer grants made by a district or just that no single grant may exceed 20% of project costs? If you think that language leaves some ambiguity, I'm wondering if it might make sense to specify that the total of cash grants, including associated financing costs, made by any district may not exceed 20% of that district's total project costs.

This might be needed to prevent a loophole whereby TIDs could break up the cash grants into smaller pieces for different parts of the development.

Let me know if you have any questions.

Thanks.

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Brian Quinn  
Executive Policy and Budget Analyst - Advanced  
Wisconsin Department of Administration  
Division of Executive Budget and Finance  
(608)-266-1923



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-1709/P1  
MES:cdc

P2  
RMR

DOA:.....Quinn, BB0241 - TIF district developer grant limitations (TID)

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

2. Tax incremental financing district developer cash grant limitations

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1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

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*the total of all*

costs. Certain items are specifically prohibited from being considered project costs, such as the cost of constructing or expanding certain municipal buildings and cash grants to developers, although exceptions are allowed. For example, current law authorizes a political subdivision to make cash grants to owners, lessees, or developers of land in a TID if the grant recipient has entered into a development agreement with the political subdivision.

Under this bill, such allowable cash grants may not exceed 20 percent of the total project costs of a TID, including financing costs attributable to the grants.

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) (f) 2. d. of the statutes is amended to read:

2 66.1105 (2) (f) 2. d. Cash grants made by the city to owners, lessees, or  
3 developers of land that is located within the tax incremental district unless the grant  
4 recipient has signed a development agreement with the city, a copy of which shall be  
5 sent to the appropriate joint review board or, if that joint review board has been  
6 dissolved, retained by the city in the official records for that tax incremental district.

7 ~~Any~~ <sup>s</sup> cash grant <sup>are</sup> that ~~is~~ made under this subd. 2. d. may not exceed 20 percent of the  
8 total project costs of the tax incremental district, including financing costs  
9 attributable to the grant. <sup>s</sup>

10 SECTION 9330. Initial applicability; Local Government.

11 (1) TAX INCREMENTAL DISTRICT FINANCING; LIMITATION ON CASH GRANTS. The  
12 treatment of s. 66.1105 (2) (f) 2. d. first applies to a tax incremental district that is  
13 created on October 1, 2019, or whose project plan is amended on October 1, 2019.

14 (END)

*The total of all*



DOA:.....Quinn, BB0241 - TIF district developer grant limitations (TID)

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

1 **AN ACT** ...; **relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*

**LOCAL GOVERNMENT**

***1. Tax incremental financing district developer cash grant limitations***

This bill limits the amount of cash grants that may be made by a political subdivision to a person for project costs of a tax incremental financing district.

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