



State of Wisconsin
2021 - 2022 LEGISLATURE

LRBs0305/1
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**SENATE SUBSTITUTE AMENDMENT 1,
TO SENATE BILL 252**

January 12, 2022 - Offered by Senator BALLWEG.

1 **AN ACT** *to amend* 66.1105 (5) (g) and 66.1105 (6) (a) (intro.); and *to create*
2 66.1105 (6) (a) 20., 66.1105 (6) (am) 2. o., 66.1105 (6m) (c) 8. and 66.1105 (6m)
3 (c) 9. of the statutes; **relating to:** extending the time during which tax
4 increments may be allocated and expenditures for project costs may be made
5 for Tax Incremental District Number 3 in the city of Wisconsin Dells and
6 reporting the value of net new construction in tax incremental districts.

Analysis by the Legislative Reference Bureau

Under this bill, tax increments may be allocated for Tax Incremental District Number 3 in the city of Wisconsin Dells through 2036 and expenditures may be made for project costs for that TID through 2031. When a city creates a TID, the Department of Revenue 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 city, 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 current law, each city or village that creates tax incremental districts must prepare and make available to the public updated annual reports describing the status of each existing tax incremental district, including expenditures and revenues. The reports must contain certain information, including the name assigned to each district, the name of any developer who receives financial assistance from tax increments allocated for the district, and the amount of tax increments to be deposited into a special fund for that district. Under the bill, the annual reports must also include the value of new construction in each tax incremental district, less the value of improvements removed from each district. In addition, the bill requires the annual reports to include an analysis of the impact on property taxes and levy limits resulting from the value of new construction less improvements removed in each tax incremental district.

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

1 **SECTION 1.** 66.1105 (5) (g) of the statutes is amended to read:

2 66.1105 (5) (g) The department of revenue shall annually give notice to the
3 designated finance officer of all governmental entities having the power to levy taxes
4 on property within each district as to the equalized value of the property, the
5 equalized value due to new construction less the value of improvements destroyed
6 or removed, and the equalized value of the tax increment base. The notice shall also
7 explain that the tax increment allocated to a city shall be paid to the city as provided
8 under sub. (6) (b) from the taxes collected.

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

10 66.1105 (6) (a) (intro.) If the joint review board approves the creation of the tax
11 incremental district under sub. (4m), and subject to pars. (ae) and (ag), positive tax

1 increments with respect to a tax incremental district are allocated to the city which
2 created the district or, in the case of a city or village that annexes or attaches a district
3 created under sub. (16), to the annexing or attaching city or village, for each year
4 commencing after the date when a project plan is adopted under sub. (4) (g). The
5 department of revenue may not authorize allocation of tax increments until it
6 determines from timely evidence submitted by the city that each of the procedures
7 and documents required under sub. (4) (d) to (f) has been completed and all related
8 notices given in a timely manner. The department of revenue may authorize
9 allocation of tax increments for any tax incremental district only if the city clerk and
10 assessor annually submit to the department all required information, including the
11 value of new construction less the value of improvements destroyed or removed, in
12 a form and manner prescribed by the department, on or before the 2nd Monday in
13 June. The facts supporting any document adopted or action taken to comply with
14 sub. (4) (d) to (f) are not subject to review by the department of revenue under this
15 paragraph. After the allocation of tax increments is authorized, the department of
16 revenue shall annually authorize allocation of the tax increment to the city that
17 created the district until the soonest of the following events:

18 **SECTION 3.** 66.1105 (6) (a) 20. of the statutes is created to read:

19 66.1105 (6) (a) 20. December 31, 2036, if the district is Tax Incremental District
20 Number 3 in the city of Wisconsin Dells and notwithstanding sub. (4e) (e) 1., 3., and
21 6. and (g).

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

23 66.1105 (6) (am) 2. o. Expenditures for project costs for Tax Incremental
24 District Number 3 in the city of Wisconsin Dells, notwithstanding sub. (4e) (e) 1., 3.,
25 and 6. and (g). Such expenditures may be made through 2031.

