



2025 ASSEMBLY BILL 137

March 13, 2025 - Introduced by Representatives KURTZ, NOVAK, WITTKE, MCCARVILLE, ARNEY, DONOVAN, JOERS, PENTERMAN, ROE, SPIROS and TENORIO, cosponsored by Senators WANGGAARD, KEYESKI and TOMCZYK. Referred to Committee on Local Government.

1 **AN ACT** *to create* 66.1105 (6) (a) 22., 66.1105 (6) (g) 7., 66.1105 (7) (am) 10. and
2 66.1105 (17) (h) of the statutes; **relating to:** maximum life and allocation
3 period for Tax Incremental District Number 9 in the village of DeForest and
4 the total value of taxable property that may be included in tax incremental
5 financing districts created in the village of DeForest.

This bill creates exceptions to two aspects of the statutes governing tax incremental financing (TIF) for a tax incremental district (TIDs) located in the village of DeForest.

Under current law, cities and villages may use TIF to encourage development in the city or village. In general, under TIF, a city or village pays for improvements in a TID and then collects tax moneys attributable to all taxing jurisdictions on the increased property value in the TID for a certain period of time to pay for the improvements. Ideally, after the period of time, the city or village will have been repaid for its initial investment and the property tax base in the TID will have permanently increased in value.

In general and in brief, a city or village makes use of TIF using the following procedure:

1. The city or village designates an area as a TID and creates a project plan laying out the expenditures that the city or village will make within the TID.

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2. DOR establishes the “base value” of the TID. This value is the equalized value of all taxable property within the TID at the time of its creation.

3. Each year thereafter, the “value increment” of the property within the TID is determined by subtracting the base value from the current value of property within the TID. The portion of taxes collected on any positive value increment (“tax increment”) is collected by the city or village for use solely for the project costs of the TID. The tax increment includes the taxes that would have been collected by other taxing jurisdictions, such as counties or school districts, were the TID not created.

4. Tax increments are collected until the city or village has recovered all of the TID’s project costs or until the TID reaches its statutory termination date.

TID Number 9 in the village of DeForest was created as a mixed-use TID in September 2017. Under current law, the unextended termination date of TID Number 9 in the village of DeForest is 20 years. Under this bill, the life of TID Number 9 in the village of DeForest is extended, and tax increments may continue to be allocated, for up to 30 years after the TID’s creation.

Under current law, the equalized value of taxable property of a new or amended TID plus the value increment of all existing TIDs in a city or village may not exceed 12 percent of the total equalized value of taxable property in the city or village. Under the bill, the 12 percent rule does not apply to one amendment of the project plan of TID Number 9 in the village of DeForest.

Also under current law, a city or village may extend the life of a TID for up to one year for housing stock improvement if all of the following occur:

1. The city or village pays off all of the TID’s project costs.

2. The city or village adopts a resolution stating that it intends to extend the life of the TID, the number of months it intends to do so, and how it intends to improve housing stock.

3. The city or village notifies DOR.

Under the bill, a housing stock improvement extension may not be exercised with regard to TID Number 9 in the village of DeForest.

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 (6) (a) 22. of the statutes is created to read:

2 66.1105 (6) (a) 22. For Tax Incremental District Number 9 in the village of
3 DeForest, 30 years after the district is created.

4 **SECTION 2.** 66.1105 (6) (g) 7. of the statutes is created to read:

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SECTION 2

1 66.1105 **(6)** (g) 7. This paragraph does not apply to Tax Increment District
2 Number 9 in the village of DeForest.

SECTION 3. 66.1105 (7) (am) 10. of the statutes is created to read:

66.1105 (7) (am) 10. Notwithstanding subd. 2., for Tax Incremental District
Number 9 in the village of DeForest, 30 years after the district is created.

6 **SECTION 4.** 66.1105 (17) (h) of the statutes is created to read:

66.1105 (17) (h) *Village of DeForest exception.* The 12 percent limit described under sub. (4) (gm) 4. c. does not apply to an amendment to a project plan for Tax Incremental District Number 9 in the village of DeForest. The exception in this paragraph may not be used for more than one amendment of the project plan.

11 (END)