

1 **AN ACT** *to amend* 66.1105 (4) (gm) 1. of the statutes; **relating to:** inclusion of vacant
 2 land within the boundaries of a tax incremental district.

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

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This draft was prepared for the Joint Legislative Council’s Study Committee on Review of Tax Incremental Financing.

Background

With certain exceptions, current law specifies that property standing vacant for an entire seven–year period immediately preceding adoption of the resolution creating a tax incremental district (TID) may not comprise more than 25 percent of the area in the TID. With regard to the exceptions to this restriction, current law specifies that the restriction does not apply to property in a TID if the district is suitable for either industrial sites or mixed use development and the local legislative body implements an approved project plan to promote industrial development if the district has been designated as suitable for industrial sites, or mixed–use development if the district has been designated as suitable for mixed–use development. Current law defines “vacant property” to include property where the fair market value or replacement cost value of structural improvements on the parcel is less than the fair market value of the land, to exclude property relating to the Park East and Park West freeway corridors in Milwaukee County, and to exclude property that is contaminated by environmental pollution.

The Draft

This draft removes the restriction that property standing vacant may not comprise more than 25 percent of the area in a TID, for TIDs created after the date the draft takes effect.

3 **SECTION 1.** 66.1105 (4) (gm) 1. of the statutes is amended to read:
 4 66.1105 (4) (gm) 1. Describes the boundaries, which may, but need not, be the same as
 5 those recommended by the planning commission, of a tax incremental district with sufficient
 6 definiteness to identify with ordinary and reasonable certainty the territory included in the

1 district. The boundaries of the tax incremental district may not include any annexed territory
2 that was not within the boundaries of the city on January 1, 2004, unless at least 3 years have
3 elapsed since the territory was annexed by the city, unless the city enters into a cooperative
4 plan boundary agreement, under s. 66.0301 (6) or 66.0307, with the town from which the
5 territory was annexed, or unless the city and town enter into another kind of agreement relating
6 to the annexation except that, notwithstanding these conditions, the city may include territory
7 that was not within the boundaries of the city on January 1, 2004, if the city pledges to pay the
8 town an amount equal to the property taxes levied on the territory by the town at the time of
9 the annexation for each of the next 5 years. If, as the result of a pledge by the city to pay the
10 town an amount equal to the property taxes levied on the territory by the town at the time of
11 the annexation for each of the next 5 years, the city includes territory in a tax incremental
12 district that was not within the boundaries of the city on January 1, 2004, the city's pledge is
13 enforceable by the town from which the territory was annexed. The boundaries shall include
14 only those whole units of property as are assessed for general property tax purposes. ~~Property~~
15 For a tax incremental district created before the effective date of this subdivision ... [LRB
16 inserts date], property standing vacant for an entire 7-year period immediately preceding
17 adoption of the resolution creating a tax incremental district may not comprise more than 25
18 percent of the area in the tax incremental district, unless the tax incremental district is suitable
19 under subd. 4. a. for either industrial sites or mixed use development and the local legislative
20 body implements an approved project plan to promote industrial development within the
21 meaning of s. 66.1101 if the district has been designated as suitable for industrial sites, or
22 mixed-use development if the district has been designated as suitable for mixed-use
23 development. In this subdivision, "vacant property" includes property where the fair market
24 value or replacement cost value of structural improvements on the parcel is less than the fair

1 market value of the land. In this subdivision, “vacant property” does not include property
2 acquired by the local legislative body under ch. 32, property included within the abandoned
3 Park East freeway corridor or the abandoned Park West freeway corridor in Milwaukee
4 County, or property that is contaminated by environmental pollution, as defined in s. 66.1106
5 (1) (d).

COMMENT: This SECTION removes the restriction that property standing vacant may not comprise more than 25 percent of the area in a TID, for TIDs created after the date the draft takes effect. Does the committee wish to remove the restriction on vacant land for TIDs amended after the date the draft takes effect as well?

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(END)