
Wisconsin Legislative Council

ACT MEMO



Prepared by: Scott Grosz, Principal Attorney

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2021 Wisconsin Act 61
[2021 Assembly Bill 56]

**Distribution of State Aid
Following TID Closure**

2021 WISCONSIN ACT 61

Under state law, state aid is paid to various local units of government to compensate for revenue losses due to past changes in the taxation of personal property. The distribution of this state aid includes payments specifically attributed to tax incremental districts (TIDs). Under prior law, when a TID closed, the TID's proportional share of aid was no longer paid. Under 2021 Wisconsin Act 61, when a TID closes, the amount that would have been paid to a TID shall be distributed to the applicable, underlying tax jurisdictions in the year following the termination and each year thereafter.

With respect to a TID that closed prior to the effective date of the act, if the TID was active for the 2017 tax year and would have received an aid payment if not for its termination, the act directs the Department of Administration (DOA) to distribute to the underlying taxing jurisdictions the sum of payments that would have been paid to the TID from its termination date to 2022 had the district not terminated along with the otherwise anticipated 2022 aid distributions. In 2023, and in each year thereafter, DOA shall distribute to the underlying taxing jurisdictions the annual amount the TID would have received.

Effective date: July 10, 2021

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