
Wisconsin Legislative Council

AMENDMENT MEMO



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2023 Assembly Bill 96

**Assembly
Amendments 1 and 2**

BACKGROUND

Under current law, a city or village may create a tax incremental district (TID) if the equalized value of the proposed TID plus the value increment of all existing TIDs in the city or village does not exceed 12 percent of the total equalized value of the city or village (“12 percent rule”).

Another requirement of current law is that a TID must consist of a contiguous geographic area.

Finally, current law allows for the creation of a “mixed-use development TID” which contains a combination of industrial, commercial, or residential uses. In a mixed-use development TID, lands proposed for newly platted residential use may not exceed 35 percent, by area, of the real property within the TID.

2023 ASSEMBLY BILL 96

2023 Assembly Bill 96 allows a city or village to create a “developer-financed TID” that is not subject to the 12 percent rule. In order to establish a developer-financed TID, the city or village must adopt a resolution finding the following:

- All project costs will be either paid directly from the special fund of the TID or financed by a developer and that any financing obtained by the developer will be obtained through a private lender.
- The aggregate of all payments made to a developer providing financing for the TID will not exceed an amount equal to 90 percent of the estimated tax increments generated by the TID.

Under the bill, a developer-financed TID may include areas that are not contiguous.

As with other TIDs under current law, a joint review board¹ must approve the creation of a developer-financed TID.

In addition, the bill allows a town with a population of more than 4,000 and that is adjacent to a city to create a developer-financed TID in which the project costs include only expenditures for the construction of housing-related infrastructure, including highways and sewer and water facilities.

¹ A joint review board consists of representatives of each overlying taxing jurisdiction with authority to levy property taxes on the property within the TID.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 requires the unanimous approval of the joint review board for the creation of a developer-financed TID.

Assembly Amendment 1 also allows a mixed-use development TID to have up to 100 percent, by area, of the real property within the TID proposed for newly platted residential use if: (1) the mixed use development TID is a developer-financed TID; and (2) the area proposed for newly platted residential use that exceeds 35 percent is used solely for workforce housing.²

ASSEMBLY AMENDMENT 2

Assembly Amendment 2 makes a technical change to ensure that a developer-financed TID is exempt from the 12 percent rule.

BILL HISTORY

Representative Plumer offered Assembly Amendment 1 on May 16, 2023, and Assembly Amendment 2 on May 24, 2023. On June 6, 2023, the Assembly Committee on Housing and Real Estate voted to recommend adoption of each amendment on votes of Ayes, 13; Noes, 1, and passage of the bill, as amended, on a vote of Ayes, 12; Noes, 3.

For a full history of the bill, visit the Legislature's [bill history page](#).

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² “Workforce housing” means housing that costs a household no more than 30 percent of the household’s gross median income and is for initial occupancy by individuals whose household median income is no more than 120 percent of the county’s gross median income.