



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRB-2057/1  
MES:kjf

## 2017 ASSEMBLY BILL 81

February 22, 2017 - Introduced by Representatives STEFFEN, R. BROOKS, LOUDENBECK, SKOWRONSKI, SPIROS and KERKMAN, cosponsored by Senators STROEBEL and OLSEN. Referred to Committee on Ways and Means.

1     **AN ACT** *to repeal* 60.85 (3) (L), 60.85 (5) (c), 60.85 (6) (f) 3., 66.1105 (5) (be),  
2             66.1105 (6m) (d) 3. and 66.1106 (10m) (c); and *to amend* 60.85 (5) (b), 60.85 (5)  
3             (d) 1., 60.85 (5) (f), 60.85 (6) (am), 60.85 (6) (f) 4., 60.85 (10) (b), 66.1105 (4) (gm)  
4             4. bm., 66.1105 (5) (cm), 66.1105 (6) (ae), 66.1105 (6m) (d) 4., 66.1105 (8) (b),  
5             66.1106 (7) (am), 66.1106 (7) (c) and 66.1106 (10m) (d) of the statutes; **relating**  
6             **to:** technical changes to the tax incremental financing statutes.

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### *Analysis by the Legislative Reference Bureau*

This bill makes a number of technical changes to the statutes affecting city, village, and town tax incremental financing districts. The bill does the following:

1. Limits penalties to \$6,000 per report that the Department of Revenue may assess against municipalities that fail to file with DOR certain required reports.
2. Modifies certain administrative payment and certification request due dates, changing the dues dates from May 15 to April 15.
3. Repeals a requirement for municipalities to provide DOR with preliminary project plan amendment notifications.
4. Adds mixed-use development to the list of eligible project costs for mixed-use tax incremental districts.
5. Excludes municipal property from base values for town TIDs.
6. Repeals an obsolete special provision that applied only to a TID in the city of Hayward; the TID terminated in 2011.

**ASSEMBLY BILL 81**

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1           **SECTION 1.** 60.85 (3) (L) of the statutes is repealed.

2           **SECTION 2.** 60.85 (5) (b) of the statutes is amended to read:

3           60.85 (5) (b) Upon application in writing by the town clerk, in a form prescribed  
4 by the department of revenue, the department shall determine according to its best  
5 judgment from all sources available to it the full aggregate value of the taxable  
6 property and, ~~except as provided in par. (e), of the town-owned property in the tax~~  
7 incremental district. Subject to sub. (10) (d), the department shall certify this  
8 aggregate valuation to the town clerk, and the aggregate valuation constitutes the  
9 tax incremental base of the tax incremental district. The town clerk shall complete  
10 these forms upon the creation of a tax incremental district or upon the amendment  
11 of a district's project plan and shall submit the application on or before December 31  
12 of the year the tax incremental district is created, as defined in sub. (3) (h) 2. or, in  
13 the case of an amendment, on or before December 31 of the year in which the changes  
14 to the project plan take effect.

15           **SECTION 3.** 60.85 (5) (c) of the statutes is repealed.

16           **SECTION 4.** 60.85 (5) (d) 1. of the statutes is amended to read:

17           60.85 (5) (d) 1. If the town adopts an amendment to the original project plan  
18 under sub. (3) (j) for any district which includes additional project costs at least part  
19 of which will be incurred after the period specified in sub. (6) (b) 1., the tax  
20 incremental base for the district shall be redetermined by adding to the tax  
21 incremental base the value of the taxable property, and, ~~except as provided in par.~~

**ASSEMBLY BILL 81**

1     ~~(e), of the town-owned property,~~ that is added to the existing district as of the  
2     January 1 of the same calendar year for a resolution adopted before October 1 or as  
3     of January 1 of the next subsequent calendar year for a resolution adopted after  
4     September 30. The tax incremental base as redetermined under this subdivision is  
5     effective for the purposes of this section only if it exceeds the original tax incremental  
6     base determined under par. (b).

7           **SECTION 5.** 60.85 (5) (f) of the statutes is amended to read:

8           60.85 (5) (f) ~~The town clerk shall annually, after May 1 but before May 21, by~~  
9     ~~written notice, inform the department of revenue of any amendment to the project~~  
10    ~~plan which has been adopted.~~ The town clerk shall also give written notice of the  
11    adoption of an amendment to the department of revenue within 60 days after its  
12    adoption. The department of revenue may prescribe forms to be used by the town  
13    clerk when giving notice as required by this paragraph.

14           **SECTION 6.** 60.85 (6) (am) of the statutes is amended to read:

15           60.85 (6) (am) With regard to each district for which the department of revenue  
16    authorizes the allocation of a tax increment under par. (a), the department shall  
17    charge the town that created the district an annual administrative fee of \$150 that  
18    the town shall pay to the department no later than ~~May~~ April 15. If the town does  
19    not pay the fee that is required under this paragraph, by ~~May~~ April 15, the  
20    department may not authorize the allocation of a tax increment under par. (a) for  
21    that town.

22           **SECTION 7.** 60.85 (6) (f) 3. of the statutes is repealed.

23           **SECTION 8.** 60.85 (6) (f) 4. of the statutes is amended to read:

24           60.85 (6) (f) 4. If an annual report is not timely filed under ~~subd. 3. or sub. (8)~~  
25    (c), the department of revenue shall notify the town that the report is past due. If

**ASSEMBLY BILL 81****SECTION 8**

1 the town does not file the report within 60 days of the date on the notice, the  
2 department shall charge the town a fee of \$100 per day for each day that the report  
3 is past due, up to a maximum penalty of \$6,000 per report. If the town does not pay  
4 within 30 days of issuance, the department of revenue shall reduce and withhold the  
5 amount of the shared revenue payments to the town under subch. I of ch. 79, in the  
6 following year, by an amount equal to the unpaid penalty.

7 **SECTION 9.** 60.85 (10) (b) of the statutes is amended to read:

8 60.85 (10) (b) If the department of revenue receives a notice under par. (a)  
9 during the period from January 1 to ~~May~~ April 15, the effective date of the notice is  
10 the date the notice is received. If the notice is received during the period from ~~May~~  
11 April 16 to December 31, the effective date of the notice is the first January 1 after  
12 the department of revenue receives the notice.

13 **SECTION 10.** 66.1105 (4) (gm) 4. bm. of the statutes is amended to read:

14 66.1105 (4) (gm) 4. bm. The project costs relate directly to eliminating blight,  
15 directly serve to rehabilitate or conserve the area or directly serve to promote  
16 industrial or mixed-use development, consistent with the purpose for which the tax  
17 incremental district is created under subd. 4. a.; and

18 **SECTION 11.** 66.1105 (5) (be) of the statutes is repealed.

19 **SECTION 12.** 66.1105 (5) (cm) of the statutes is amended to read:

20 66.1105 (5) (cm) ~~The city clerk shall annually, after May 1 but before May 21,~~  
21 ~~by written notice, inform the department of revenue of any amendment to the project~~  
22 ~~plan which has been adopted.~~ The city clerk shall also give written notice of the  
23 adoption of an amendment to the department of revenue within 60 days after its  
24 adoption. The department of revenue may prescribe forms to be used by the city clerk  
25 when giving notice as required by this paragraph.

**ASSEMBLY BILL 81**

1           **SECTION 13.** 66.1105 (6) (ae) of the statutes is amended to read:

2           66.1105 (6) (ae) With regard to each district for which the department of  
3 revenue authorizes the allocation of a tax increment under par. (a), the department  
4 shall charge the city that created the district an annual administrative fee of \$150  
5 that the city shall pay to the department no later than ~~May~~ April 15. If the city does  
6 not pay the fee that is required under this paragraph, by ~~May~~ April 15, the  
7 department may not authorize the allocation of a tax increment under par. (a) for  
8 that city.

9           **SECTION 14.** 66.1105 (6m) (d) 3. of the statutes is repealed.

10          **SECTION 15.** 66.1105 (6m) (d) 4. of the statutes is amended to read:

11          66.1105 (**6m**) (d) 4. If an annual report is not timely filed under ~~subd. 3. or~~ par.  
12 (c), the department of revenue shall notify the city that the report is past due. If the  
13 city does not file the report within 60 days of the date on the notice, except as provided  
14 in this subdivision, the department shall charge the city a fee of \$100 per day for each  
15 day that the report is past due, up to a maximum penalty of \$6,000 per report. If the  
16 city does not pay within 30 days of issuance, the department of revenue shall reduce  
17 and withhold the amount of the shared revenue payments to the city under subch.  
18 I of ch. 79, in the following year, by an amount equal to the unpaid penalty.

19          **SECTION 16.** 66.1105 (8) (b) of the statutes is amended to read:

20          66.1105 (8) (b) If the department of revenue receives a notice under par. (a)  
21 during the period from January 1 to ~~May~~ April 15, the effective date of the notice is  
22 the date the notice is received. If the notice is received during the period from ~~May~~  
23 April 16 to December 31, the effective date of the notice is the first January 1 after  
24 the department of revenue receives the notice.

25          **SECTION 17.** 66.1106 (7) (am) of the statutes is amended to read:

**ASSEMBLY BILL 81****SECTION 17**

1           66.1106 (7) (am) With regard to each district for which the department  
2 authorizes the allocation of a tax increment under par. (a), the department shall  
3 charge the political subdivision that created the district an annual administrative  
4 fee of \$150 that the political subdivision shall pay to the department no later than  
5 ~~May~~ April 15. If the political subdivision does not pay the fee that is required under  
6 this paragraph, by ~~May~~ April 15, the department may not authorize the allocation  
7 of a tax increment under par. (a) for that political subdivision.

8           **SECTION 18.** 66.1106 (7) (c) of the statutes is amended to read:

9           66.1106 (7) (c) If the department receives the notice described under sub. (10)  
10 (b) during the period from January 1 to ~~May~~ April 15, the effective date of the notice  
11 is the date on which the notice is received. If the department receives the notice  
12 described under sub. (10) (b) during the period from ~~May~~ April 16 to December 31,  
13 the effective date of the notice is the first January 1 after the date on which the notice  
14 is received.

15           **SECTION 19.** 66.1106 (10m) (c) of the statutes is repealed.

16           **SECTION 20.** 66.1106 (10m) (d) of the statutes is amended to read:

17           66.1106 (10m) (d) If an annual report is not timely filed under ~~par. (e) or~~ sub.  
18 (10) (a), the department of revenue shall notify the political subdivision that the  
19 annual report is past due. If the political subdivision does not file the report within  
20 60 days of the date on the notice, the department shall charge the political  
21 subdivision a fee of \$100 per day for each day that the report is past due, up to a  
22 maximum penalty of \$6,000 per report. If the political subdivision does not pay  
23 within 30 days of issuance, the department of revenue shall reduce and withhold the  
24 amount of the shared revenue payments to the political subdivision under subch. I  
25 of ch. 79, in the following year, by an amount equal to the unpaid penalty.

**ASSEMBLY BILL 81**

1           **SECTION 21. Effective dates.** This act takes effect on the day after publication,  
2 except as follows:

3           (1) PENALTIES. The treatment of sections 60.85 (6) (f) 3. and 4., 66.1105 (6m) (d)  
4 3. and 4., and 66.1106 (10m) (c) and (d) of the statutes takes effect on the January  
5 1 after publication.

6           (2) PAYMENT, TERMINATION NOTIFICATION, CERTIFICATION DATES. The treatment of  
7 sections 60.85 (6) (am) and (10) (b), 66.1105 (6) (ae) and (8) (b), and 66.1106 (7) (am)  
8 and (c) of the statutes takes effect on the January 1 after publication.

9           (3) PRELIMINARY PROJECT PLAN NOTIFICATIONS. The treatment of sections 60.85  
10 (5) (f) and 66.1105 (5) (cm) of the statutes takes effect on the January 1 after  
11 publication.

12           (4) BASE VALUES, TOWNS. The treatment of section 60.85 (3) (L) and (5) (b), (c),  
13 and (d) 1. of the statutes takes effect retroactively to October 1, 2015.

14   (END)