2015 ASSEMBLY BILL 863

1　AN ACT *to amend* 66.1105 (6) (a) 10., 66.1105 (6) (am) 2. em. and 66.1105 (7) (ak)

2　2.; and *to create* 66.1105 (7) (ak) 4. of the statutes; **relating to:** lengthening

3　the time during which tax increments may be allocated and expenditures for

4　project costs may be made for Tax Incremental District Number 3 in the city of

5　Middleton.

Analysis by the Legislative Reference Bureau

This bill extends the maximum life, the expenditure period, and the time during which tax increments may be allocated with regard to Tax Incremental District Number 3 in the city of Middleton.

Under the current tax incremental financing program, a city or village may create a tax incremental district (TID) in part of its territory to foster development. Once a TID has been created, the Department of Revenue (DOR) calculates the "tax incremental base" value of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a "value increment" is created. That portion of the property taxes collected from the TID that is attributable to the value increment is called a "tax increment." The tax increment is placed in a special fund that may be used only to pay back the project costs of the TID. The project costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets, and lighting systems; financing costs; site preparation costs; and professional service costs.

DOR authorizes the allocation of the tax increments until the TID terminates or, generally, 20 years, 23 years, or 27 years after the TID is created, depending on the type of TID and the year in which it was created. Also under current law, a city or village may not generally make expenditures for project costs later than five years before the unextended termination date of the TID. Under certain circumstances, the life of the TID, the expenditure period, and the allocation period may be extended.

Under this bill, with regard to Tax Incremental District Number 3 in the city of Middleton, the expenditures for project costs may be made for up to 42 years after the TID was created, the Department of Revenue may allocate tax increments for up to 47 years after the TID's creation, and the maximum life of the TID is extended for ten years.

For further information see the *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. 66.1105 (6) (a) 10. of the statutes is amended to read:

2   66.1105 **(6)** (a) 10. ~~Thirty–seven~~ Forty–seven years after the tax incremental

3   district is created if the district is Tax Incremental District Number 3 in the city of

4   Middleton.

5   SECTION 2. 66.1105 (6) (am) 2. em. of the statutes is amended to read:

6   66.1105 **(6)** (am) 2. em. Expenditures for project costs for Tax Incremental

7   District Number 3 in the city of Middleton. Such expenditures may be made no later

8   than ~~32~~ 42 years after the district is created and may be made through ~~2025~~ 2035.

9   SECTION 3. 66.1105 (7) (ak) 2. of the statutes is amended to read:

10   66.1105 **(7)** (ak) 2. For a district that is created after September 30, 1995, and

11   before October 1, 2004, and that is not subject to subd. 1., 23 years after the district

12   was created, and, except as provided in ~~subd.~~ subds. 3. and 4., for a district that is

13   created before October 1, 1995, 27 years after the district is created.

14   SECTION 4. 66.1105 (7) (ak) 4. of the statutes is created to read:

1   66.1105 **(7)** (ak) 4. For Tax Incremental District Number 3 in the city of

2   Middleton, 47 years after the district is created.

3   **(END)**