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Assembly Committee on Energy and Utilities**

**Rep. Jim Steineke Testimony on Assembly Bill 835:
Relating to: limiting the security a town or municipality may require as a condition of plat
approval.**

Good morning Chairman Kuglitsch and members of the Committee.

Assembly Bill 835 clarifies the financial expectations for developers when working on infrastructure projects that are initially paid for by a developer and then dedicated (or given) to a municipality (such as roads or underground projects).

Under current law, a county, town, city, or village has the right to approve or object to the creation of a subdivision. As a condition of approval, the governing body of the town or municipality where the subdivision is located may require that the developer make and install any public improvements reasonably necessary.

This bill provides a developer with two financing options for public improvement projects: a performance bond or a letter of credit (which is not currently allowed). Either option will satisfy the governing body's requirement that the subdivider provide security to ensure that the public improvements are made within a reasonable time. The bill establishes a 12 month limit on the timeframe to require security.

The cap on the security amount would be the total cost to complete the improvements that are not completed plus an additional ten percent of the total cost of the completed improvements. When roads are involved substantially completed is defined as when the binder coat is installed on the roads to be dedicated. When no roads are involved substantial completion is when 90 percent of the public improvements by cost are completed

Developers recognize the need to pay for infrastructure that is directed to a municipality and this bill doesn't change that practice. Developers also recognize that some type of process must be in place to provide financial security to the municipalities for completed and uncompleted infrastructure work. AB 835 does not take that process away either, it simply better defines current law.

Thank you for your time and I'd be happy to take any questions.