2023 SENATE BILL 915

January 11, 2024 - Introduced by Senator FELZKOWSKI, cosponsored by Representative CALLAHAN. Referred to Committee on Government Operations.

AN ACT *to amend* 66.1105 (7) (ak) 2. and 66.1105 (7) (am) 4. a.; and *to create*

66.1105 (6) (a) 21., 66.1105 (6) (g) 4. and 66.1105 (7) (ak) 6. of the statutes;

relating to: the maximum life and allocation period for Tax Incremental

District Number 4 in the city of Antigo.

Analysis by the Legislative Reference Bureau

This bill increases the maximum life and tax allocation period for Tax Incremental District (TID) Number 4 in the city of Antigo.

Under current law, cities and villages may use tax incremental financing (TIF) to encourage development in the city or village. In general, under TIF, a city or village pays for improvements in a TID then collects tax moneys attributable to other taxing jurisdictions for a period of time on the increased property value in the TID to pay for the improvements. Ideally, after a period of time, the city or village has been repaid for its initial investment and the property tax base in the TID has permanently increased in value.

In general and in brief, a city or village makes use of TIF using the following procedure:

1. The city or village designates an area as a TID and creates a project plan laying out the expenditures that the city or village will make within the TID.

2. The Department of Revenue establishes the "base value" of the TID. This

value is the equalized value of all taxable property within the TID at the time of its creation.

3. Each year thereafter, the "value increment" of the property within the TID is determined by subtracting the base value from the current value of property within the TID. The portion of taxes collected on any positive value increment is collected by the city or village for use solely for the project costs of the TID. The taxes collected by the city or village on positive value increments include taxes that would have been collected by other taxing jurisdictions, such as counties or school districts, were the TID not created.

4. Tax increments are collected until the city or village has recovered all of its project costs or until the TID reaches its statutory termination date. The statutes provide several different termination dates for different types of TIDs. In most cases, TIDs must terminate 23 years or 27 years after the TID is created.

TID Number 4 in the city of Antigo was created as an industrial TID in September of 1999. Under current law, the unextended termination date of TID Number 4 in the city of Antigo is 23 years, because the TID is an industrial TID for which no finding of blight was made and the TID was created after September 30, 1995, and before October 1, 2004.

Under this bill, the life of TID Number 4 in the city of Antigo is extended, and tax increments may continue to be allocated, for up to 29 years after the TID's creation.

Also under current law, a city or village may extend the life of a TID for up to one year for housing stock improvement if all of the following occur:

1. The city or village pays off all of the TID's project costs.

2. The city or village adopts a resolution stating that it intends to extend the life of the TID, the number of months it intends to do so, and how it intends to improve housing stock.

3. The city or village notifies DOR.

Under the bill, a housing stock improvement extension may not be exercised with regard to TID Number 4 in the city of Antigo.

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

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

SECTION 1. 66.1105 (6) (a) 21. of the statutes is created to read:

66.1105 **(6)** (a) 21. Twenty-nine years after the tax incremental district is

created if the district is Tax Incremental District Number 4 in the city of Antigo.

SECTION 2. 66.1105 (6) (g) 4. of the statutes is created to read:

66.1105 **(6)** (g) 4. This paragraph does not apply to Tax Incremental District Number 4 in the city of Antigo.

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

66.1105 **(7)** (ak) 2. Except as provided in par. (am) 4., for a district that is created after September 30, 1995, and before October 1, 2004, and that is not subject to subd. 1., 4., ~~or~~ 5., or 6., 23 years after the district was created, and, except as provided in subd. 3., for a district that is created before October 1, 1995, 27 years after the district is created.

SECTION 4. 66.1105 (7) (ak) 6. of the statutes is created to read:

66.1105 **(7)** (ak) 6. Except as provided in par. (am) 4., for Tax Incremental District Number 4 in the city of Antigo, 29 years after the district is created.

SECTION 5. 66.1105 (7) (am) 4. a. of the statutes is amended to read:

66.1105 **(7)** (am) 4. a. At any time during the district's existence, but subject to sub. (8) (e), the city that created the district described under subd. 1., 2., or 3. or par. (ak) 1. ~~or,~~ 2., or 6. may request that the joint review board extend the life of the district for an additional 3 years in addition to an extension authorized under subd. 1., 2., or 3., if during the district's existence, the annual and total amount of tax increments to be generated over the life of the district are adversely impacted by 2013 Wisconsin Act 145.

(END)