



WISCONSIN LEGISLATURE

P.O. BOX 8952 • MADISON, WI 53708

Testimony before the Assembly Committee on Local Government

Assembly Bill 22

Representative Tony Kurtz and Senator Patrick Testin

Good Morning, and thank you, Chairman Novak, for having this hearing today.

The State of Wisconsin and the City of Middleton have the opportunity to utilize a new TID district to not only add jobs and business investments in our state, but retain a great company and many family supporting jobs that is actively being recruited away from Wisconsin.

The City of Middleton is seeking to launch a new TID that will require an exception to the current law limitation on the percentage of municipal value that can be within the value increment of all TIDs in the jurisdiction before an existing district closes next year that would take their increment value well below the current 12% limit.

Assembly Bill 22 creates the necessary exemption for the City of Middleton to move forward with its plans, continue the conversations to retain 1,800 jobs at a major and vital employer and continue to grow Wisconsin's economy.

This bill is based previous legislation which received swift, unanimous and appreciated approval in both houses last session. We hope this bipartisan legislation can receive similar support to bolster Wisconsin's ongoing efforts to maintain and attract jobs and development.

We appreciate the opportunity to testify about this bill today and are happy to answer any questions. We've asked our democratic co-authors to be here today to answer any specific questions related to the impacts on their districts.



ALEX JOERS

WISCONSIN STATE REPRESENTATIVE
81ST ASSEMBLY DISTRICT

Testimony of Representative Alex Joers
Assembly Committee on Local Government
Assembly Bill 22 | March 19, 2025

Chairman Novak and Members of the Committee:

Thank you for holding this public hearing on Assembly Bill 22. As a co-author of this legislation, I am glad to be here to advocate for providing Middleton the opportunity to create an additional tax incremental financing district (TID).

Tax incremental financing (TIF) has been a vital tool in the rapid expansion of economic development in the city of Middleton. The TIDs created over the past few decades have assisted Middleton in bringing in hundreds of millions of dollars in development value. Middleton has proven to be responsible and effective stewards in creating successful community development through TIF.

The legislation we are discussing today would allow Middleton the opportunity to continue to utilize TIF in response to concerns of a key employer considering leaving the area. State law generally provides various opportunities for municipalities to utilize TIF, but limits their ability to be created when the value increment of a municipalities existing TIDs exceeds 12% of the total equalized value of the community. Assembly Bill 22 provides a limited exemption to the 12% limit, allowing Middleton the option to create a TID and provide the necessary investment for the employer to stay. With jobs on the line, this is the only path that allows them to respond with the swiftness required.

The legislature has created various exemptions similar to this proposal in the past. This specific legislation is based on 2023 Act 136 (SB 880), which provided Stevens Point with an exemption under a similar scenario.

Please join me in supporting Assembly Bill 22.



DIANNE H. HESSELBEIN

STATE SENATOR • SENATE DISTRICT 27

SEN. DIANNE HESSELBEIN TESTIMONY ON ASSEMBLY BILL 22

Good morning Chairman Novak and members, thank you for holding this hearing on Assembly Bill 22, which is important economic development legislation for our state and the City of Middleton.

Our community and state have both the challenge and the opportunity to use a new TIF district to both keep and add jobs and investment in Wisconsin. I want to thank Senator Testin and Representative Kurtz and their staff for their work on this and willingness to put this legislation forward with us.

Assembly Bill 22 is very similar to legislation we adopted for Stevens Point last session, and Middleton is facing a very similar situation -- working on a timeline to launch the new TID that will require an exception to current law. Specifically, our bill would exempt Middleton's new TID from the state law that new districts cannot be opened if more than 12% of the municipal value is currently in TID increments.

Importantly, Middleton is in the process of closing an existing TID that would take their increment value well below the current 12% limit. However, in the effort to retain jobs and attract new employment and investment, the City needs to open a new TID in that effort before the existing district closes next year.

By creating this exception, Middleton will be able to move forward with a plan to augment state efforts to retain and add jobs in Wisconsin. As I noted earlier, this is based on 2023 SB 880, which received swift, unanimous and appreciated approval in both houses last year to allow Stevens Point to act on economic development opportunities.

As you may be aware, during the negotiations Middleton is not naming the employer and, although there has been reporting on this, I am going to try to respect that and ask for your support of Assembly Bill 22. I am, of course, happy to answer questions on this and discuss the bill and our opportunity with any committee members at your convenience.

I want to again thank Representative Kurtz and you, Chairman Novak, for holding this hearing today and scheduling an exec for tomorrow. I appreciate the communication and swift action on this and welcome any questions.



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Testimony to the Assembly Committee on Local Government on Assembly Bill 22 March 19, 2025

Chair Novak and members of the Committee on Local Government, good morning and thank you for the opportunity to speak in support of Assembly Bill 22 on behalf of the Middleton Common Council. My name is Emily Kuhn and I am the Mayor of Middleton.

We sincerely thank you for taking up this bill, as it is essential to ensuring that approximately 1,800 high-quality jobs remain in our state and within our local economy, rather than being relocated to another state offering competitive incentives. These jobs are not just a statistic or a number – they represent real families, real livelihoods, and real contributions to Wisconsin's economy, and the local civic fabric of the Middleton community. The economic ripple effect of losing these jobs would be substantial – not just for Middleton, but for Dane County and the entire state. Local businesses, housing markets, and service industries all depend on the retention of these positions. Middleton generates significant revenue for Wisconsin through income taxes, sales taxes, and property taxes – revenue that will decline if these jobs leave the state. The estimated impact is approximately \$8 Million per year of combined income, sales, and property tax impact.

Tax Increment Financing (TIF) is the primary economic development tool that municipalities have at their disposal to

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assist qualified projects in installing the infrastructure and amenities that are often cost prohibitive, but necessary to make a project successful. However, communities that have very successful TIF Districts are significantly limited in the options they have available to attract new or retain existing development. Under current state law, Middleton is constrained by the twelve percent (12%) limit on the total value of properties within active Tax Increment Districts (TIDs). Without an exception to this threshold, we will be unable to offer a competitive retention package to keep this employer here. Middleton's existing TID #3 will be closing next year, dropping our TID increment below the 12% cap, however, this legislation is needed now in order to act swiftly enough to keep these jobs in Wisconsin. The bipartisan proposal before you is narrowly tailored – it is a targeted exception that will allow Middleton to respond to this specific and urgent economic issue without altering anything for other TID Districts in the state.

Middleton has a long track record of responsible and strategic use of TIF to support sustainable economic growth. For example, our TID#3 has successfully generated over \$1 Billion in tax increment value, through strategic investments in infrastructure, such as roads, sanitary and water systems, as well as park amenities for new and existing residents, and developer grants to close project funding gaps when warranted. As our TIF agreements are paid off, the City has made several subtractions to TID#3, adding over \$480 Million in property value back to the general tax base. Despite these subtractions, the City is still at 16.6% of its equalized value in its two existing TIDs. This limits our ability to proactively recruit or pursue new business developments, or address business retention issues, such as this situation, without subtracting enough properties to compensate. Other communities, such as Stevens Point, Janesville, and Sun Prairie have received similar legislative exemptions to address

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extraordinary circumstances. Middleton is seeking the same opportunity to ensure that we remain competitive in today's economic landscape.

Passage of AB 22 and its corresponding SB 24, would allow Middleton to have an exemption from Wis. Stats.

66.1105(17)(h) only to create a new TID #6 to cover this employer, but to be clear it is not a permanent exclusion of TID #6's incremental value from the determination of future 12% limits. Any future TID activity by the city would need to comply with the 12% value limits, and that 12% limit would include the future incremental value of this new TID #6.

Due to the sensitive nature of ongoing negotiations, we cannot disclose the name of the employer at this time. However, I want to assure this Committee that Middleton is acting in good faith to secure a long-term economic partner for Wisconsin. By approving this measure, the Legislature is not setting a broad precedent but instead responding to a unique situation with a reasonable, pragmatic solution.

We thank you for your consideration of this bill, and respectfully ask for your assistance in supporting its passage to retain these jobs within Middleton. We are ready to do our part to ensure economic stability and growth.

Thank you again for the opportunity to speak in support of AB 22.

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