

LEGISLATIVE HEARING CALENDAR

Positions to be taken by the City of Milwaukee on the following bills will be discussed by the

COMMITTEE ON JUDICIARY-LEGISLATION

MONDAY, APRIL 4, 2005 AT 9:30 AM

Room 301-B City Hall

- S- 83 Technical changes to the tax incremental financing law.
- S-148 Requiring registration of firearms owned by Milwaukee County residents and providing a penalty.

Discussion:

- A-100 Executive State Budget

2005 SENATE BILL 83

February 24, 2005 – Introduced by Senators STEPP, DARLING, KANAVAS, KEDZIE, ROESSLER, OLSEN, GROTHMAN, LEIBHAM and BRESKE, cosponsored by Representatives GOTTLIEB, HUNDERTMARK, FRISKE, DAVIS, NISCHKE, GARD, HAHN, STONE, OTT, KRAWCZYK, GUNDERSON, PRIDEMORE, HINES, KAUFERT, BALLWEG, LOEFFELHOLZ and TOWNSEND. Referred to Committee on Housing and Financial Institutions.

1 AN ACT *to amend* 66.1105 (4) (gm) 1., 66.1105 (4) (gm) 4. c., 66.1105 (4) (h) 1.,
2 66.1105 (4) (h) 2., 66.1105 (5) (ce) and 66.1105 (6) (am) 1.; and *to create* 66.1105
3 (4) (h) 6. of the statutes; **relating to:** technical changes to the tax incremental
4 financing law.

Analysis by the Legislative Reference Bureau

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 if at least 50 percent of the area to be included in the TID is blighted, in need of rehabilitation or conservation, suitable for industrial sites, or suitable for mixed-use development. Before a city or village may create a TID, several steps and plans are required. These steps and plans include public hearings on the proposed TID within specified time frames, preparation and adoption by the local planning commission of a proposed project plan for the TID, approval of the proposed project plan by the common council or village board, and adoption of a resolution by the common council or village board that creates the TID as of a date provided in the resolution.

Also under current law, once a TID has been created, the Department of Revenue (DOR) calculates the "tax increment 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 taxes collected on the value increment in excess of the base value is called a "tax increment." The tax increment is placed in a special fund that may be used only to pay back the project

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costs of the TID. The 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. Under certain circumstances, the life of the TID and the allocation period may be extended.

TIDs are required to terminate, under current law and with some exceptions, once these costs are paid back, 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, or when the creating city or village dissolves the TID, whichever occurs first. Under one of the exceptions, which is limited to certain circumstances, after a TID pays off its project costs, but not later than the date on which it must otherwise terminate, the planning commission may allocate positive tax increments generated by the TID (the “donor” TID) to another TID that has been created by the planning commission.

Under certain circumstances that affect some types of TIDs, the creating city or village may ask the joint review board to extend the TID’s life for three or four years, depending on the type of TID. The city or village may provide the joint review board with an independent audit that demonstrates that the TID is unable to pay off its costs within its original life span. The joint review board may choose to approve or deny a request to extend the life of such TIDs but, if accompanied by an audit, the board must approve a request for an extension. If the TID’s life is extended, DOR may allocate tax increments to the TID for additional years beyond the limit that otherwise applies.

Current law specifies that for certain TIDs, subject to a number of exceptions, the expenditure period to pay off project costs is limited to five years before the unextended termination date of the TID. This bill makes a technical change to clarify that the five-year expenditure period limit applies to all TIDs, subject to a number of exceptions. The bill also makes a technical change related to the amount of vacant land that a TID may contain if it is suitable for mixed-use development.

Under current law, a planning commission may adopt an amendment to a project plan, which requires the approval of the common council or village board and the same findings that current law requires for the creation of a new TID. Current law also authorizes the amendment of a project plan up to 4 times during a TID’s existence to change the district’s boundaries by adding or subtracting territory. This bill clarifies that if a single amendment to a project plan both adds and subtracts territory, this amendment counts as only one amendment of the plan in counting toward the allowable maximum of 4 amendments to the TID’s boundaries.

Currently, before a TID may be created or its project plan amended, the city or village must issue a finding that the equalized value of taxable property of the TID plus the value increment of all existing TIDs does not exceed 12 percent of the total equalized value of taxable property in the city or village (the “12 percent test”), unless the amendment of the project plan subtracts territory from the TID. This bill clarifies that the 12 percent test applies only to TIDs that are being created or whose project plans are amended in a way that adds territory to the district.

2005 SENATE BILL 148

March 29, 2005 – Introduced by Senator COGGS, cosponsored by Representatives YOUNG, FIELDS, SINICKI, TOLES, TURNER, BERCEAU, A. WILLIAMS and KESSLER. Referred to Committee on Judiciary, Corrections and Privacy.

- 1 **AN ACT** *to create* 175.36 of the statutes; **relating to:** requiring registration of
2 firearms owned by Milwaukee County residents and providing a penalty.

Analysis by the Legislative Reference Bureau

This bill requires an individual who resides in Milwaukee County and who owns a firearm to report to the Department of Justice (DOJ) the individual's name and address, the manufacturer, model, and serial number of the firearm, and any other identifying characteristic of the firearm specified by DOJ. When ownership of a firearm is transferred from or to a Milwaukee County resident, the resident must report the transfer of ownership to DOJ. The bill requires DOJ to maintain a registry of this firearms ownership information. DOJ must keep the information in the registry confidential, except that DOJ may release information to a law enforcement officer who is investigating a crime that involves a firearm. The firearms reporting requirements apply to handguns, rifles, shotguns, and machine guns, regardless of where in the state they are located, but not to firearms designed to fire loose black power, firearms manufactured before 1899, or firearms that cannot be fired and cannot readily be restored to firing condition. An individual who violates the reporting requirements may be fined not more than \$1,000 or jailed for not more than nine months or both.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.