WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO

2005 Wisconsin Act 328 **[2005 Senate Bill 596]**	**Subtracting an Increment From, and Creating a New, Tax Incremental District**

Currently, under the tax incremental financing law, the equalized value of taxable property of the tax incremental district (TID) plus the value increment of all existing districts may not exceed 12% of the total equalized value of taxable property within the city. In determining the equalized value of taxable property under this provision, the Department of Revenue (DOR) must base its calculations on the most recent equalized value of taxable property of the district that DOR reports each year by August 15th to each county and taxation district, before the date on which the resolution under this paragraph is adopted.

2005 Wisconsin Act 328 provides that a city may simultaneously create a TID and adopt an amendment to a project plan to subtract territory from an existing TID without adopting a resolution containing the 12% limit findings, if all of the following occur:

- The city includes with its application a copy of its amendment to a project plan that subtracts territory from an existing TID.

- The city provides the DOR with two appraisals from certified appraisers which demonstrate all of the following:

  o The current fair market value of the taxable property within the TID that the city proposes to create.

  o The current fair market value of the taxable property that the city proposes to subtract from an existing TID.

  o The value of the taxable property that is subtracted from an existing TID equals or exceeds the amount that the DOR believes is necessary to ensure that, when the proposed TID is created, the 12% limit is met.

     o   The city certifies to the DOR that no other TID created under this provision currently exists in the city.

A city may not act under this provision if a TID that has been created under this provision currently exists in the city.

Effective Date: The Act takes effect on April 29, 2006.

Prepared by: Laura Rose, Deputy Director   August 24, 2006

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