1999 ASSEMBLY BILL 810

February 29, 2000 – Introduced by Representative HEBL, cosponsored by Senators WIRCH and CHVALA, by request of City of Stoughton. Referred to Committee on Ways and Means.

1   AN ACT *to create* 992.22 of the statutes; **relating to:** the notice of a hearing on

2   the creation of a tax incremental district proposed by the city of Stoughton.

Analysis by the Legislative Reference Bureau

Under current law, a city or village may create a tax incremental district (TID) in part of the city or village to foster development, if at least 50% of the area to be included in the TID is blighted, in need of rehabilitation or suitable for industrial sites. A city or village must follow several procedures to create a TID, including holding a public hearing on the proposed TID.

Under current law, once a city or village creates a TID, the department of revenue (DOR) calculates and certifies 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 into a special fund that may only be used to pay back the 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.

Under current law, DOR will not certify the tax increment base value of a TID, if the city or village that created the TID did not follow certain procedures, including publishing a timely notice of a hearing for the proposed TID. On February 17, 1999, the city of Stoughton held a hearing for a proposed TID. However, the last notice of the hearing was published six days before the hearing. Under current law, the last

notice of a hearing for a proposed TID must be published at least one week before the hearing.

This bill validates the hearing held on February 17, 1999, and requires DOR to certify the tax increment base value for the TID in the city of Stoughton, as if the city had complied with the hearing notice requirements under current law.

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

1 SECTION 1. 992.22 of the statutes is created to read:

2 **992.22 Notice of a hearing for a proposed tax incremental district.** Any

3 hearing held by a city under s. 66.46 (4) in February 1999 related to the creation of

4 a tax incremental district is valid, notwithstanding the city's failure to conform to the

5 statutes regarding the timing for publishing a class 2 notice of the hearing, if the city

6 was incorporated in 1882, has a population of at least 8,500 and is located in a county

7 with a population of at least 365,000. The department of revenue shall certify the

8 tax incremental base for a tax incremental district located in the city as if the city

9 had complied with the timing for publishing a class 2 notice of a hearing under s.

10 66.46 (4).

11 **(END)**