



2003 ASSEMBLY BILL 523

September 18, 2003 - Introduced by Representatives McCORMICK, NISCHKE, STASKUNAS, HUNDERTMARK, SERATTI, HAHN, HONADEL, ALBERS, KRAWCZYK, FRISKE, GRONEMUS, WEBER, GIELOW and OTT, cosponsored by Senators KANAVAS, STEPP, REYNOLDS and ROESSLER. Referred to Committee on Economic Development.

1 **AN ACT to repeal** 66.1103 (4m), 66.1103 (4s), 66.1103 (6m), 66.1103 (10) (b),
2 66.1103 (10) (c), 66.1103 (10) (d), 66.1103 (10) (g), 66.1103 (11) (b), 560.034 (2)
3 and 560.034 (5) (a); and **to amend** 66.1103 (6) (c), 66.1105 (9) (b) 2., 560.03 (15)
4 (intro.), 560.034 (1) and 560.097 of the statutes; **relating to:** repealing certain
5 filing, notice, and bidding requirements related to industrial development
6 revenue bonds.

Analysis by the Legislative Reference Bureau

Under the current industrial development revenue bonding statute, municipalities (cities, villages, or towns) may do all of the following:

1. Construct, equip, acquire, rebuild, maintain, or remodel industrial projects.
2. Borrow money and issue industrial development revenue bonds (IDBs) to finance all or part of the costs of the work described in Item 1., above, and for improving sites for industrial projects.
3. Enter into revenue agreements that are related to industrial projects. "Revenue agreements" is defined to include any lease, sales or service contract, loan agreement, or similar agreement providing that any private person agrees to pay the municipality an amount of funds to provide for the payment of the principal of, and interest on, the IDBs and agrees to construct the project.
4. Mortgage all or part of the industrial project, or assign the revenue agreements in favor of the bond holders.

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5. Sell the industrial project and site.

Generally, the principal and interest due on IDBs issued by a municipality are payable solely out of the revenues derived under the revenue agreement that relates to the project to be financed by the bonds.

Under current law, there are a number of certifications that must be obtained, and notice, filing, and bidding requirements that must be met, before a municipality may enter into a revenue agreement.

This bill repeals a number of requirements to obtain certifications, and a number of notice, filing, and bidding requirements that must be met, before revenue agreements may be entered into or industrial projects undertaken, including the following:

1. A requirement that the municipality obtain from the Department of Commerce (commerce) an estimate of the number of jobs that the industrial project is expected to eliminate, create, or maintain.

2. Certification from a prospective employer for an industrial project that, with some exceptions, the project will not result in job shifting from one location in this state to the site of an industrial project.

3. A requirement that a party to a revenue agreement notify the Department of Workforce Development, during the first year after the issuance of IDBs, of job openings in a municipality that are to be filled by that party. The notice must be given two weeks before the position may be advertised.

4. After a municipality adopts an initial resolution to proceed with an industrial project, a requirement that public notice of the municipality's action be given before IDBs may be issued. The public notice must include the following: the maximum amount of the bonds; the name of the private person who is a party to a revenue agreement; the purpose of the bonds; and the net number of jobs the project is expected to create, maintain, or eliminate.

5. A requirement that a copy of the initial resolution, and a statement indicating when the notice requirement described in Item 4., above, will be published, be filed with the secretary of commerce. Commerce may request additional information relating to the project before the issuance of the IDBs.

6. A provision stating that the IDBs may be issued without a referendum being submitted to, and approved by, the electors of the municipality unless, within 30 days from the date of publication of the notice described in Item 4., above, a petition signed by a specified number of electors requesting a referendum on the IDB issuance is filed with the municipal clerk.

7. A requirement that IDBs may not be issued before the municipality adopts a resolution estimating the amount of attorney fees which will be paid from bond proceeds and files the resolution with the municipal clerk and commerce.

8. A provision requiring that construction contracts with an estimated cost of more than \$5,000 must be advertised and then let to the lowest responsible bidder, although the provision also allows a municipality to waive this requirement. If construction contracts are let under this statute, however, the contract must prohibit discrimination in employment and subcontracting.

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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:

1 **SECTION 1.** 66.1103 (4m) of the statutes is repealed.

2 **SECTION 2.** 66.1103 (4s) of the statutes is repealed.

3 **SECTION 3.** 66.1103 (6) (c) of the statutes is amended to read:

4 66.1103 **(6)** (c) A governing body may not adopt an initial resolution authorizing
5 issuance of bonds to finance a project specified under sub. (2) (k) 11. unless the
6 governing body finds and states in the initial resolution that the project will
7 significantly increase the number of persons traveling to the municipality for
8 business or recreation. ~~The statement shall be included in the public notice required~~
9 ~~under sub. (10) (b).~~

10 **SECTION 4.** 66.1103 (6m) of the statutes is repealed.

11 **SECTION 5.** 66.1103 (10) (b) of the statutes is repealed.

12 **SECTION 6.** 66.1103 (10) (c) of the statutes is repealed.

13 **SECTION 7.** 66.1103 (10) (d) of the statutes is repealed.

14 **SECTION 8.** 66.1103 (10) (g) of the statutes is repealed.

15 **SECTION 9.** 66.1103 (11) (b) of the statutes is repealed.

16 **SECTION 10.** 66.1105 (9) (b) 2. of the statutes is amended to read:

17 66.1105 **(9)** (b) 2. Tax incremental bonds or notes shall be authorized by
18 resolution of the local legislative body without the necessity of a referendum or any
19 elector approval, but a referendum or election may be held, through the procedures
20 provided in s. 66.1103 (10) (d), 2001 stats. The resolution shall state the name of the
21 tax incremental district, the amount of bonds or notes authorized, and the interest

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1 rate or rates to be borne by the bond or notes. The resolution may prescribe the terms,
2 form and content of the bonds or notes and any other matters that the local legislative
3 body deems useful.

4 **SECTION 11.** 560.03 (15) (intro.) of the statutes is amended to read:

5 560.03 (15) (intro.) Annually, submit a summary of the employment impact
6 estimates required under s. 560.034 (2) and a report to the chief clerk of each house
7 of the legislature, for distribution to the legislature under s. 13.172 (2), analyzing the
8 use of industrial revenue bond financing under s. 66.1103 and accurately reporting
9 the benefits of that use, including the effect on employment in this state including,
10 but not limited to:

11 **SECTION 12.** 560.034 (1) of the statutes is amended to read:

12 560.034 (1) The department shall prescribe the notice forms to be used under
13 ~~ss. 66.1103 (4m) (a) 1. and s. 234.65 (3) (a).~~ The department shall include on the forms
14 a requirement for information on the number of jobs the person submitting the notice
15 expects to be eliminated, created or maintained on the project site and elsewhere in
16 this state by the project which is the subject of the notice. The department shall
17 prescribe the forms to be used under ~~ss. 66.1103 (4m) (b) and s. 234.65 (3r).~~

18 **SECTION 13.** 560.034 (2) of the statutes is repealed.

19 **SECTION 14.** 560.034 (5) (a) of the statutes is repealed.

20 **SECTION 15.** 560.097 of the statutes is amended to read:

21 **560.097 Notification of position openings; compliance.** The department
22 shall monitor compliance with the position-opening notification requirements under
23 ~~ss. 66.1103 (6m) and s. 106.16.~~

24

(END)