

Rob Hutton

STATE REPRESENTATIVE • 13TH ASSEMBLY DISTRICT

June 1, 2017

To: The Assembly Committee on Ways and Means
From: Rep. Rob Hutton
Re: Assembly Bill 291

Testimony of Rep. Rob Hutton in Support of Assembly Bill 291

Mr. Chairman and members of the committee, thank you for giving Assembly Bill 291 a public hearing. I am joined today by President Neil Palmer of Elm Grove, Mayor Steve Ponto of the City Brookfield, and Dan Ertl Director of Community Development for the City of Brookfield. Early this year they approached Senator Vukmir and I with the proposed legislation that provides a solution to current TID law to allow for development between communities in limited circumstances.

Current law allows for a city, village, or town with a TID to include an expenditure on project costs up to half a mile away from the boundary of the TID for projects that benefit lands located within the TID. These funds cannot be spent within the half mile radius if it crosses the border of the city, village, or town in which the TID is located. As is the case between Brookfield and Elm Grove, the city of Brookfield wants to construct an extension connecting two roads to enhance the transportation network within the Blue mound Road Corridor using TID revenue. However, a small portion of one end of the road crosses over into Elm Grove.

AB 291 allows for TID revenue to be spent across local government boundaries within the current half mile radius standard. This can only occur if the adjacent governing body, in which the TID revenue would be spent, consents to the expenditure by adopting a resolution. By creating a consistent statewide policy for the half mile radius we will give local units of government additional control in economic development projects. Thank you again for holding a public hearing on AB 291. I am glad to answer any questions you may have.

STATE SENATOR
Leah Vukmir

Assembly Committee on Ways and Means

Thursday, June 1, 2017

Assembly Bill 291

Chairman Macco and committee members, I would like to express my gratitude for giving Rep. Hutton's and my bill a hearing. This proposal would allow funds collected from a tax incremental district (TID) to be spent on project costs within a half-mile of the TID boundary in adjacent municipalities and towns.

Current law allows a city, village, or town with a tax incremental district to use TID revenue for project costs up to a half-mile away from the boundary of the TID. However, funds cannot be spent across city, village or town borders even if the project is within the half-mile of the district boundary. This bill allows for funds collected from a TID to be spent on project costs within a half-mile of the district in adjacent municipalities and towns. The adjacent governing bodies would be required to consent to this expenditure by adopting a resolution agreeing to the proposed TID sharing.

The City of Brookfield and Village of Elm Grove brought this peculiarity to our attention in an effort to improve their transportation network. The City of Brookfield was constructing an extension, connecting two roads within the Bluemound Road Corridor. The extension, however, would begin in the Village of Elm Grove. The two municipalities agreed to the proposal, but were prohibited by state statute from sharing TID revenue for the project.

This bill addresses this limitation and gives local governments more flexibility to appropriate TID revenue. By removing this odd constraint we afford municipalities greater latitude to use TID revenues on needed local projects.

Thank you again for giving mine and Rep. Hutton's bill a public hearing. Please let me know if I can answer any questions you may have.

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To: Assembly Committee on Ways and Means
From: Curt Witynski, J.D., Assistant Director, League of Wisconsin Municipalities
Date: June 1, 2017
Re: AB 291, Allowing tax incremental district project costs to be incurred for territory located within an adjacent city, village, or town.

The League of Wisconsin Municipalities supports AB 291, allowing two communities to agree that a tax incremental district created by one community can be used to finance a public infrastructure project that crosses the boundary between the two communities. Specifically, the bill allows a tax incremental district (TID) to incur a project cost for territory in an adjacent city, village, or town if the neighboring governing body consents to the expenditure and the project is within one-half mile of the boundaries of the TID. The city or village would have to amend the TID's project plan to allow for costs in an adjacent city, village, or town, which requires approval by the Joint Review Board.

Under current law, a TID may incur project costs for territory within a one-half mile radius of the TID, but only within the boundary of the city or village that created the district.

This bill would, for example, allow Brookfield to construct an extension of Wisconsin Avenue to connect to Pilgrim Parkway as part of enhancing the transportation network within the Bluemound Road Corridor. The street connection of Wisconsin Avenue at Pilgrim Parkway would be located within the Village of Elm Grove, located due east of Brookfield. The costs of the street extension would be financed through the project costs established under Brookfield's Tax Increment District No. 3, as long as Elm Grove consents to the project.

We urge you to recommend passage of this sensible bill that would allow neighboring communities to work together on a method of financing a construction project of mutual benefit. Thanks for considering our comments.

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