

## WAPA LEGISLATIVE UPDATE

By Jordan K. Lamb  
DEWITT ROSS & STEVENS S.C.  
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### A. 2005-07 Biennial Budget

The Joint Committee on Finance, the committee that will first make amendments to the biennial budget bill as proposed by Governor Doyle, has heard public testimony on the bill from citizens across the state in the past few weeks. In addition, the Committee has set dates for briefings by state agencies on the contents of the bill. The calendar for these briefings is as follows:

**Thursday, March 17 at 9:00 a.m.:** Office of the State Treasurer; Higher Educational Aids Board; Office of the Commission of Railroads

**Tuesday, March 29 at 11:00 a.m.:** UW System; Dept of Public Instruction; Dept of Revenue; General Fund Taxes; Tax Administration; Lottery Administration; Shared Revenue and Tax Relief; Dept of Agriculture, Trade and Consumer Protection

**Wednesday, March 30 at 9:00 a.m.:** Dept of Health and Family Services; Dept of Commerce; Dept of Natural Resources; Dept of Workforce Development

**Wednesday, April 6 at 9:00 a.m.:** Dept of Transportation; Dept of Administration; General Agency Provisions; Transfers to the Department; Office of Justice Assistance; Division of Gaming Office of the Commissioner of Insurance; Dept of Justice; Dept of Corrections

*No public testimony will be taken at these briefings.* They are an opportunity for Committee members to hear information about each agency's budget requests.

Co-chairs of the Committee, Representative Dean Kaufert (R-Neenah) and Senator Scott Fitzgerald (R-Juneau) have indicated that the committee will begin voting on bill during the second week of April.

### B. Property Tax Freeze Legislation

Following the Legislative Fiscal Bureau comparison of Governor Doyle's property tax freeze plan and the legislative Republican's original plan in February, Republican leaders in the Legislature revised their plan and passed their proposal on February 22, 2005. (See Assembly Bill 58 on the Internet at <http://www.legis.state.wi.us/2005/data/AB58hst.html> .)

As expected, Governor vetoed the Republicans' proposed property tax freeze on March 11, 2005. In a press release on March 11, the Governor stated, "I support a responsible property tax freeze – one that works by funding education, not cutting education." "Now that this Republican political sideshow is out of the way, I hope they will work with me

to pass a responsible plan. I'm still optimistic that legislators will heed the wishes of parents and educators to fully fund the state's commitment to education so we can have a property tax freeze that protects taxpayers and our schools."

This week, the Republicans tried, but failed, to override the Governor's veto of AB 58. However, the property tax freeze will continue to be a topic of debate during the budget process.

To review the Milwaukee Journal Sentinel report covering the failed veto override go to <http://www.jsonline.com/news/state/mar05/310244.asp> on the Internet.

### **C. New Stand-Alone Legislation**

#### *1. Outdoor Advertising – 2005 Senate Bill 77*

Senator Fred Risser (D-Madison) has introduced Senate Bill 77, which makes changes to the law governing outdoor advertising.

The federal Highway Beautification Act requires states to restrict advertising along interstate and federal-aid primary highways, and current state law incorporates these requirements. Current law prohibits, with certain exceptions, the erection or maintenance of outdoor advertising signs within 660 feet of, or beyond 660 feet but visible (and erected for the purpose of being visible) from, the main-traveled way of an interstate or primary highway.

One of the exceptions to this prohibition include signs located within 660 feet of the highway in areas zoned for business, industrial, or commercial activities, or in unzoned areas used for commercial or industrial activities, that were erected after March 18, 1972. These signs must comply with certain size, lighting, and spacing requirements.

*This bill* freezes (as of the effective date of the bill) the application of this exception to signs in existence on the bill's effective date, thereby prohibiting the erection of signs under that exception after the bill's effective date. Signs erected under this exception prior to the bill's effective date may continue to be maintained and to vary their advertising and informative displays.

This legislation has been referred to the Senate Committee on Natural Resources and Transportation. To view a copy of the bill, go to <http://www.legis.state.wi.us/2005/data/SB-77.pdf> on the Internet.

#### *2. Technical Changes to the Tax Incremental Financing Law – Senate Bill 83 and Assembly Bill 147*

Senator Cathy Stepp (R-Sturtevant) and Representative Mark Gottlieb (R-Port Washington) have introduced companion bills Senate Bill 83 and Assembly Bill 146, which make technical changes to the TIF law. These bills are moving simultaneously through both houses, however the Senate bill has made faster progress and has been amended since its introduction. (It is expected that AB 147 will be amended in an

identical manner.) AB 83 has been passed by the Senate as amended and now awaits Assembly action.

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 and 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.

Also 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.

Under current law, 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.

To review a copy of SB 83 and the two amendments that have been adopted, go to <http://www.legis.state.wi.us/2005/data/SB83hst.html> on the Internet and click on the links to the bill and the amendments.

3. *Allowing Certain Counties To Create Tax Incremental Financing Districts  
– Assembly Bill 156*

Representative Jeffrey Mursau (R-Crivitz) has introduced Assembly Bill 156, which allows certain counties to create TIF districts.

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 suitable for industrial sites. Before a city or village may create a TID, several steps and plans are required. 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. Current law also authorizes towns, under very limited circumstances, to create TIDs for agricultural, forestry, manufacturing, and tourism projects and for related retail and residential development.

*This bill* authorizes counties in which no cities or villages are located to use tax incremental financing and create a TID if the town board of each town in which the proposed TID is to be located approves.

AB 156 has been referred to the Assembly Committee on Ways and Means. To review a copy of this legislation, go to <http://www.legis.state.wi.us/2005/data/AB-156.pdf> on the Internet.

4. *Kenosha TIF Districts – Senate Bill 102 and Assembly Bill 193*

Senator Robert Wirch (D-Pleasant Prairie) and Representative John Steinbrink (D-Pleasant Prairie) have introduced companion bills Senate Bill 102 and Assembly Bill 193, which make changes to TIF laws affecting the City of Kenosha.

Generally, under current law, project costs of a TID are required to be expended within the boundaries of a TID. *Under this bill*, the project costs of a TID in the city of Kenosha may be spent on territory within a one-half mile radius of the boundary of the TID if that TID is a blighted area TID.

Current law also 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 un-extended termination date of the TID. *This bill* applies that same expenditure period, five years before the termination date of the TID, to certain donor TIDs in the city of Kenosha.

SB 102 has been referred to the Senate Committee on Job Creation, Economic Development and Consumer Affairs. Assembly Bill 193 has been referred to the Assembly Committee on Ways and Means. To review a copy SB 102, go to <http://www.legis.state.wi.us/2005/data/SB-102.pdf> on the Internet.

5. *Towns May Withdraw from County Zoning – LRB 1655/2*

Representative Samantha Kerkman (R-Burlington) is circulating LRB 1655/2 for co-sponsorship (i.e., this is draft legislation that has *not* yet been introduced.) This bill would allow towns to withdraw from county zoning if the town has adopted a town zoning ordinance that is at least as restrictive as the current county zoning and is based on a town comprehensive plan.

**D. Update on Previously Introduced Legislation**

1. *Plan Period for County Forest Land Use Plans – 2005 Assembly Bill 9*

Assembly Bill 9, introduced by Representative John Ainsworth (R-Shawano) had a public hearing on March 1, 2005. To review a copy of Assembly Bill 9, go to <http://www.legis.state.wi.us/2005/data/AB-9.pdf> on the Internet.

2. *Quorum Requirements for a Zoning Board of Appeals or Adjustment – 2005 Assembly Bill 24*

Assembly Bill 24, introduced by Representative Sheryl Albers (R-Reedsburg), had a public hearing on February 23, 2005. An executive session (*i.e.*, committee vote) on this legislation is scheduled for Wednesday, March 23, 2005 before the Assembly Committee on Property Rights and Land Management. To review a copy of AB 24, go to <http://www.legis.state.wi.us/2005/data/AB-24.pdf> .

3. *Property Tax Exemption for Arts and Education Centers – Senate Bill 3*

Senate Bill 3, introduced by Senator Ted Kanavas (R-Brookfield) has been passed by the Senate and concurred in by the Assembly. To review a copy of Senate Bill 3, go to <http://www.legis.state.wi.us/2005/data/SB-3.pdf> on the Internet.

(Note: There have been no other changes to the status of introduced legislation described in previous issues of the *Update*.)