

1.4 Recent Changes*
Summary of Tax Incremental Finance Law Changes

2011 Acts 32, 41 and 77

Act 32- Budget Bill (effective 7/01/11)

Cooperative Town TIDs

- Allows for a Cooperative Town TID to be closed and the City/Village that has the agreement with the Town to take over the TID until its maximum life has been reached

Act 41 (effective 8/18/11)

Distressed or Severely Distressed TID Classification

- The act removed the seven year in existence requirement
- The act extended the use of classification until September 30, 2015

Act 77 (effective 10/01/12)

Multijurisdictional TID

- This allows two or more municipalities to enter into an intergovernmental cooperation agreement and jointly create a multijurisdictional TID

2013 Acts 183 and 193

Act 183 (effective 4/04/14)

TIDs with a Decrement Situation

- Municipalities can request the Wisconsin Department of Revenue (DOR) to re-determine a Tax Incremental District (TID) base value that is in a decrement situation
- [TID's Equalized Value](#) (see *Tax Incremental Value Reports*) must be at least 10% below the current base value of the TID for two consecutive years (decrement)
- Municipality's resolution date stating a decrement exists will determine the two consecutive years (ex: May 21, 2014 resolution date requires **both** the 2012 and 2013 TIDs to be 10% below the TID's current base value)
- TID must be created under state law ([sec. 66.1105, Wis. Stats.](#))
- One base value re-determination is allowed during the life of a TID

Act 193 (effective 4/06/14)

Creation of Town TIDs under s. 66.1105, Wis. Stats.

- Expands the authority for certain towns to create Tax Incremental Districts (TIDs)
- In the year before the year the town adopts a resolution, the following two criteria must be met:
 - Prior year [Equalized Value](#) must be at least \$500,000,000
 - Prior year population must be at least 3,500 – use the Department of Administration's most recent [Annual Population Estimates](#)
- Sewer service is or will be provided before use or operation of any improvements

Allocation Changes

- Allows a regular TID to allocate increments to an ER TID
- Allows an ER TID to allocate increments to a regular TID under state law ([sec. 66.1106\(7\)\(e\), Wis. Stats.](#) and [sec. 66.1105\(6\)\(f\), Wis. Stats.](#))

TIDs can be created from Town annexed land

- State law ([sec. 60.1105\(19\), Wis. Stats.](#))
- Seven year maximum life
- 12% limitation requirement does not apply until 2016
- Increments cannot be donated to other TIDs
- Expenditures can only be made until October 1, 2016

Energy systems exemption

- This exemption does not apply if the property was in a TID on January 1, 2014