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To: Wisconsin State Legislature
From: League of Wisconsin Municipalities Lobby Team
Date: November 6, 2019
Re: Support for LRB 4540, **Treatment of personal property aid payments made to a TIF District after the district closes.**

The League of Wisconsin Municipalities urges the Legislature and the Governor to enact LRB 4540, clarifying that personal property aid payments made to a TIF District transfer to the municipality and other taxing jurisdictions after the TIF closes. Rep. Steffen (R- Howard), Rep. Ohnstad (D-Kenosha), Sen. Bernier (R-Chippewa Falls) and Sen. Ringhand (D-Evansville) are the lead authors of the bill.

The legislation fixes a technical problem with the personal property aid program the Legislature created last session to reimburse taxing jurisdictions, including TIF districts, for the lost revenue caused by exempting machinery, tools, and patterns from the personal property tax.

The Department of Revenue (DOR) reads current state law to say that any personal property aid payments being made to a TIF district for exempt personal property existing in the district terminate when the TIF district closes. Terminating the aid payments when the district closes makes no sense since:

- * The exempt personal property continues to exist in the community after the TIF district closes.
- * If the personal property had existed outside a TIF district the community would receive aid payments indefinitely.
- * Computer aid payments made to a TIF district transfer to the municipality after the district closes.

We asked DOR staff to suggest language that we could include in a bill to make it clear to the Department that the personal property aid payments are transferred to the municipality and other taxing jurisdictions after a TIF district closes.

LRB 4540 was drafted using the language DOR staff recommended.

We urge your support. Thanks for considering our request.