



131 W. Wilson St., Suite 505
Madison, Wisconsin 53703
phone (608) 267-2380; (800) 991-5502
fax: (608) 267-0645
league@lwm-info.org; www.lwm-info.org

To: Assembly Committee on Ways and Means

From: Curt Witynski, J.D., Deputy Director, League of Wisconsin Municipalities

Date: March 2, 2021

Re: AB 56, Ensuring that personal property aid payments made to TIF districts continue after districts close

The League of Wisconsin Municipalities worked with Rep. Steffen and Sen. Bernier to introduce AB 56, which makes clear that personal property aid payments being made to tax incremental districts continue after the districts close. This committee last session voted unanimously to recommend passage of a similar bill, 2019 AB 620, introduced by the same authors. At the end of last session, the full Assembly passed AB 620 by a voice vote and the Senate was poised to vote on it, but cancelled its last regular floor day and did not meet again for regular business due to COVID.

The bill fixes a technical problem with the personal property aid program the Legislature created in 2017-2018 to reimburse taxing jurisdictions, including TIF districts, for the lost revenue caused by exempting machinery, tools, and patterns from the personal property tax.

The bill clarifies that personal property aid payments the state makes to a TIF district continue after the TIF district terminates but transfer to the municipality and other taxing jurisdictions.

The Department of Revenue reads current 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 exempt personal property had existed outside a TIF district the community would continue to receive aid payments indefinitely.
- Computer aid payments made to a TIF district transfer to the municipality after the district closes.

AB 56 was drafted using language DOR staff recommended.

The bill also, at DOR's request, clarifies that computer aid payments being made to a TIF district transfer to all other taxing jurisdictions when the district closes. Under current law, computer aid payments transfer to the municipality only. The bill treats computer aid and personal property aid payments made to a TIF the same once a district closes.

We urge you to vote to recommend passage of AB 56. Thanks for considering our comments.

YOUR VOICE. YOUR WISCONSIN.