

## YOU HAVE BEEN CHOSEN!

If you are reading this pamphlet, you have been designated to serve on the Joint Review Board (JRB) for a Tax Incremental District (TID) in your community. You will serve a specific role, representing one of the overlying taxing jurisdictions that will help to fund the projects planned for the TID.

Tax Incremental Financing (TIF) is a partnership. The taxing jurisdictions (municipal, county, school, technical college, special districts) that overlay a group of parcels, work together to encourage development on those parcels. Tax revenue generated from the new development is used to pay for improvements that helped bring the new development to the site. Once the projects are paid off, the TID is closed and each jurisdiction has a larger tax base.

When creating a TID, or amending an existing one, the JRB has the power of final approval. They can approve or deny the creation or amendment of the district based on their review. Minutes should be taken and votes should be recorded at the JRB meetings, and these should be added to the record for the TID. The JRB must respond to the municipal officials within seven days of making a decision, and, when they reject a plan, they must cite in writing specific decision criteria that were found to be lacking.

## DUTIES & RESPONSIBILITIES

Generally, the JRB members represent the interests of the taxing jurisdiction on whose behalf they are serving. For example, a school's representative will look at the TIF plans and consider the impact on the finances of the school district. Members' opinions can differ, and for this reason, there can be disagreement among members.

Specifically, JRB members are, by majority vote, **required to make a positive assertion that the development would not occur without the creation of a TID** [Wis. Stats. 66.1105(4m)(b) 2.; s. 66.1106(3)(c) 1.a & s. 60.85(4)(am)]. Local officials are required to provide the following information:

1. The specific items that constitute the project costs: the total dollar amount, and the total amount of tax increments.
2. The total value increment and the date to be terminated.
3. The reasons why the project costs may not or should not be paid solely by the TID taxpayers.
4. The share of projected tax increments from each overlying taxing district.
5. The benefits that the overlying jurisdictions will receive.
6. A copy of the plan commission and board/council TID resolutions.
7. Copies of planning documents and public record.

**If you don't get something,  
ask for it!**

## DECISION CRITERIA

The criteria upon which the JRB approve or deny is laid out explicitly in the TIF Law [Wis. Stats. 66.1105(4m)(c), s. 66.1106(3)(c) & s. 60.85(4)(c)]. The three criteria are:

1. Whether the development expected in the TID would occur without the use of tax incremental financing.
2. Whether the economic benefits of the TID, as measured by increased employment, business and personal income, and property value, are insufficient to compensate for the cost of improvements.
3. Whether the benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing districts.

The first criterion, the "but for" test, is the most important part of the JRB deliberations. The JRB is required to assert that the planned development would not occur without the use of TIF. If the "but for" test is not met, the TID cannot be approved. The "but for" concept justifies the investment of all the overlying taxing jurisdictions in a project. If a development would have happened without TIF there is no reason for the taxpayers outside the municipality to be involved with financing.

**The JRB may also hold additional  
public hearings as part of their  
deliberations.**

## QUESTIONS FOR JRB MEMBERS

Would the expected development occur without the aid of TIF?

What are the expected economic benefits of the TID in terms of jobs, incomes, and property values?

How much of the total projected tax increment revenue comes from my overlying taxing district?

How does this planned development fit in with the rest of the development in my district?

Is there a better alternative use for the development site? Is there a better alternative use for the tax revenue? Is there a better alternative use for the limited TIF capacity?

What is the general public sentiment among the residents of my district concerning this TID?

How will my jurisdiction know what is spent and received for this TID?

How will the planned development affect the demand for services from my district's residents (schools, police, fire, EMS)?

What guarantees are in place to ensure that the anticipated tax revenue is actually collected?

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Send questions you may have for DOR to [tif@revenue.wi.gov](mailto:tif@revenue.wi.gov)

## JRB MEMBERSHIP

Changes made in 2004 to the TIF Law added very specific language regarding the membership of Joint Review Boards. The goal is to ensure that the members have appropriate background and experience to accurately evaluate TIF project plans.

**Please Note:** If the TID is served by a school district and a union high school district, the school district member shares the school vote evenly with a representative from the union high school district.

## DOR REVIEW

(FOR TIDS CREATED UNDER 66.1105 ONLY)

The 2004 TIF Law changes created the DOR Review. This allows JRB members, by majority vote, to request that the Department of Revenue review the objective facts and planning documents involved with a TID plan.

To request a DOR Review, a letter and materials should be sent to DOR prior to the JRB's decision with the following elements:

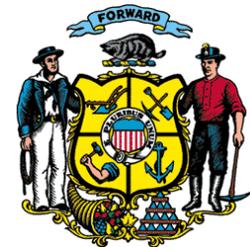
- municipality name and TID number,
- a list of JRB members, the date of the meeting and a record of the vote,
- a copy of **all** the documents that are to be reviewed by DOR, and
- specifically name what item or fact is believed to be incomplete or inaccurate identified under Wis. Stats. 66.1105(4)(gm).

## WISCONSIN TAX INCREMENTAL FINANCING

### A Guide For Joint Review Board Members

Wis. Stats. 66.1105,  
66.1106 or 60.85

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