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ANNOUNCEMENT RELATED TO INCORPORATION OF TOWN OF WINDSOR

ACTION TAKEN BY JOINT FINANCE COMMITTEE

On Thursday, May 14, 2015, the Joint Finance Committee (JFC) approved Motion 299 *A Motion to Approve a New Method for Incorporation of Towns Next to Third Class Cities*. The motion was introduced by JFC Co-Chairperson Nygren and seconded by JFC Co-Chairperson Darling. Motion 299 was approved by a vote of 12-4.

Co-Chairperson Nygren offered an explanation of Motion 299, underscored the challenges faced by rapidly growing Towns and stated that legislation for Towns adjacent to First and Second Class Cities was already on the books. Senator Olsen addressed the concerns raised by the Village of DeForest, and stated that he represents parts of the Village of DeForest and the Town of Windsor and would vote with the Town of Windsor on this issue. The Legislative Fiscal Bureau (LFB) provided general information.

The Democrats on JFC opposed adoption of Motion 299, objecting on the grounds that this is a policy item that does not belong in the budget.

The Motion was approved along party lines. A copy of Motion 299 is attached.

WHAT HAPPENS NEXT

Motions approved by the JFC are in laypersons' language, not in statutory language. When the JFC concludes its session, which is anticipated in late May or early June, all motions adopted by JFC are sent to the Legislative Reference Bureau (LRB) for drafting. We can expect to have legislative language available for review in early June.

The Town Board will actively participate at that stage to assure that any legislation include the following provision:

Intergovernmental cooperation agreements entered into under s. 66.0301 and cooperative boundary agreements approved under s. 66.0307, to which a town incorporating under this section is a party, that are still in effect on the effective date of the incorporation, shall continue in force until altered or repealed, to the extent allowed under the agreements. When incorporated under this section, a city or village shall be considered the town's successor with respect to such agreements.

The Budget will be sent to the Senate in early June, and then to the Assembly. We anticipate approval of the budget by the end June 2015, and a July 1, 2015 effective date.

SHARED REVENUE AND TAX RELIEF -- PROPERTY TAXATION

New Method for Towns Contiguous to a Third Class City to Incorporate

Motion:

Move to create a new method for certain towns contiguous to a third class city to incorporate as a village. The following procedures would be required:

- a. The town board must adopt a resolution calling for a referendum in the town on whether the town should become a village; and
- b. A majority of the votes cast in the referendum must be in favor of becoming a village.

Specify that the new method may be used only by a town that meets the following conditions:

- a. The population of the town must exceed 6,300, according to the most recent federal decennial census.
- b. The town is contiguous to a third class city.
- c. The most recent data from the Department of Revenue show that the town's equalized value exceeds \$600,000,000.
- d. In one of the five previous years, the town's equalized value increased more than seven percent, compared to the prior year.
- e. The town board is authorized to exercise village powers.
- f. The town has entered into and is currently bound by at least two cooperative boundary agreements with at least two separate municipalities (cities, villages, or towns).
- g. The town has established at least one tax incremental financing district and at least one town sanitary district.

The procedures would sunset after June 30, 2020.

Note:

Under current law, the following methods may be used for a town to incorporate as a city or village.

1. Towns that meet minimum population and area threshold requirements may incorporate as a city or village, but only after following certain procedures and receiving approval for the incorporation from a circuit court and from the Department of Administration (DOA). The circuit court must review the incorporation petition to ensure compliance with procedural and signature requirements and must make several determinations relating to minimum area and population density requirements of the area to be incorporated. The Department of Administration must determine whether a number of statutory standards are met, including the characteristics of the territory, the level of governmental services that are desired or needed by the residents compared to the level of services offered by the proposed city or village, the impact upon the remainder of the town from which the territory is to be incorporated, and the impact of the proposed incorporation on the metropolitan community.

2. The incorporation as cities of certain towns that are adjacent to first class cities (presently only Milwaukee) may occur under an expedited process which does not require circuit court or DOA review. With this method, the following procedures are required:

a. The incorporation petition must be circulated in the territory to be incorporated, and the petition must be filed with the town clerk. The petition must be signed by at least 100 persons who are electors and taxpayers in the town and may be circulated only in towns that have the following characteristics: a resident population that exceeds 5,000; the town's equalized assessed value exceeds \$20,000,000; and the town is adjacent to a first class city.

b. At the next regular meeting of the town board following the filing of the petition, the board must adopt a resolution calling for a referendum by the electors on the question of the incorporation of the town as a city. If a majority of the votes are cast in favor of a city, the clerk must certify the fact to the Secretary of State, who shall then issue and record a certificate of incorporation.

3. Prior to June 30, 2010, the incorporation as cities or villages of certain towns that were adjacent to second class cities may have occurred under an expedited process which did not require circuit court or DOA review. With this method (the second class city method), the following procedures were required:

a. The town board must have adopted a resolution calling for a referendum in the town on whether the town should become a city or village.

b. A majority of the votes cast in the referendum must have been in favor of a city or village.

c. The common council of at least one contiguous second class city must approve the incorporation of the town as a city or village.

The procedures to use the second class city method could be used only by a town that met a number of conditions, including the following: (a) the population of the town must have exceeded 23,000, according to the most recent federal decennial census; (b) the town was contiguous to a second class city with a population that exceeded 75,000; (c) the per capita equalized valuation for the town was equal to or greater than the average per capita equalized valuation for all cities and villages in the state; and (d) the town board was authorized to exercise village powers.

This motion would create a new method for towns contiguous to a third class city to incorporate as a village as identified above. Currently, this provision would only apply to the Town of Windsor in Dane County.

Posted
Wheeler Repor