

Partly sunny with a
possible chance of
legislation

CORI LAMONT



State
budget
issues

- February 28, 2019, Governor Tony Evers released his 2019-2021 state budget.



Tax Increment Financing

Removed by JFC

Limits

Percentage of tax incremental district project costs that may be allocated for developer grants to 20% of total project costs



requires

Project plans include sensitivity analyses (“stress tests”)

Dark Store

Removed by JFC

requires

Property to be assessed
at its “highest and best
use”



removes

Vacant properties or
“dark stores” as
comparable sales for
property tax
assessment purposes



Manufacturing & Agriculture Tax Credit

Removed by JFC

Limits

Manufacturing portion of the credit to only apply to the first \$300,000 in qualified production activities income for each firm qualifying for the credit

maintains

the
agricultural
portion of
the credit

raises

More than \$279.5 M in fiscal year 19-20 and \$237.1 M in fiscal year 20-21, paying for appx. half of the proposed middle class tax cut

Capital Gains Tax

Removed by JFC

Limits

Current 30% long-term capital gains exclusion to those taxpayers with adjusted gross incomes below \$100,000 for individuals and \$150,000 for married-joint filers



Prevailing Wage

Removed by JFC

restores

State's prevailing wage law, which sets minimum pay requirements for construction workers on public works projects



Right to Work

Removed by JFC

eliminates

“right to work” law,
which prohibits labor
unions and employers
from entering into
private agreements
regarding the use of
unionized workers on a
project



permits

Employers to
require union
membership or
affiliation and
related dues



Property Taxes

Removed by JFC

Allows

County and municipal governments & technical colleges to increase levies by the greater of the % change in equalized value due to new construction less improvements removed or 2 % beginning with levies set in 2019.
requirement for

Eliminates

Municipalities to reduce levy limits by revenues generated through certain fees

Creates

Creates additional exceptions to the levy limits for (a) joint emergency dispatch centers, and (b) cross-municipality transit routes



Transportation

Unclear at this time how this will be funded or if a compromise can be reached.



WRA's legislative priorities



Workforce Housing Incentives

Encourage the creation of workforce housing by, among other things, (a) authorizing municipalities to use tax increment financing (TIF) to develop workforce housing upon unanimous support by the joint review board, (b) creating a sales tax exemption used in the construction of workforce housing, and (c) expedited plat approval for workforce housing developments.



Chasing Sales

Prohibits the practice of increasing property tax assessed values based only on sales of the subject property.

Homeowners Associations

Creates a regulatory framework for homeowners associations.





Letter of Intent



What is a Letter of Intent (LOI)?

Agreement to agree in the future

Essentially it's a preliminary negotiation

Does not create an enforceable agreement

LOI is an invaluable tool in commercial transactions

The LOI is not without risk

The more the LOI looks like a contract, the greater the concern the court will determine it to be a contract





WRA's Commercial LOI

Is brand new



Is bare-bones

Is optional

Drafted by an attorney



Will be available early summer

Thank you