

LEGISLATIVE AGENDA



2021-2022 LEGISLATIVE SESSION

WISCONSIN ECONOMIC DEVELOPMENT ASSOCIATION



Founded in 1975, the Wisconsin Economic Development Association (WEDA) is a statewide non-profit trade association dedicated to growing Wisconsin's economy through effective advocacy, education, and networking. Our diverse membership includes professionals working to advance economic growth in a variety of settings, including local and regional economic development organizations, chambers of commerce, state and local government, and a variety of businesses and organizations.

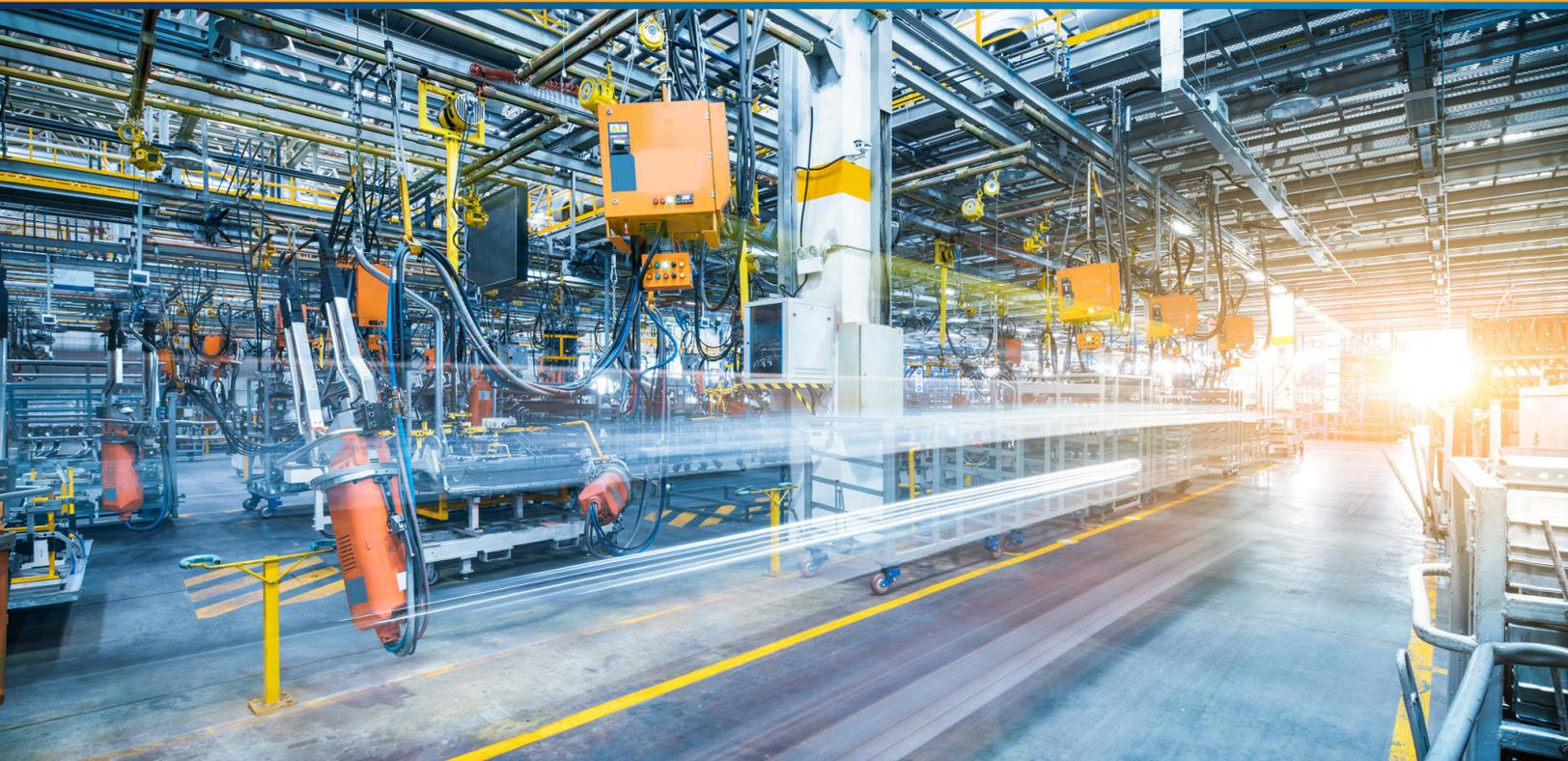
Economic Development has a broad scope but can be effectively described as investment in growing the economy to create opportunity and prosperity for Wisconsin communities, employers, and residents. Effective economic development has played a vital role in Wisconsin's success and will be increasingly important as policymakers focus on innovative approaches to put Wisconsin back on a path to higher growth and increased business productivity.

As the "Voice of Economic Development" in Wisconsin, WEDA members are committed to working with lawmakers to promote programs and policies that advance economic activity in all corners of the state. Our 2021-22 Legislative Agenda provides a comprehensive list of key initiatives to boost workforce housing, increase broadband access, improve state business attraction and retention efforts, and ensure local communities are properly equipped with policy tools to promote economic development.

Unfortunately, Wisconsin communities currently have very few economic development tools at their disposal to spur growth. In fact, Tax Incremental Financing (TIF) is the only consistently reliable financial incentive local governments have at their disposal to promote private development, job creation and retention, and additional tax base growth.

This unique funding tool has been used successfully in Wisconsin since 1975 to fund public infrastructure, redevelopment, and other incentives to attract new and expanding businesses. TIF is a proven driver of local economic activity, revitalizing urban corridors and bolstering industrial growth in rural areas throughout Wisconsin. WEDA encourages lawmakers to preserve and enhance state TIF law to keep Wisconsin competitive regionally, nationally, and globally.

Of course, there are other complementary economic and workforce development tools that play an important role in shaping Wisconsin's economy. Developing, enhancing, and ultimately strengthening these tools requires broad-based collaboration and support, and WEDA looks forward to working with the Legislature, the Administration, and state agencies during the 2021-22 legislative session to position the Badger State for stability, growth, and prosperity.





EFFECTIVE ECONOMIC DEVELOPMENT INCENTIVES:

WEDA supports the continued use and improvement of economic development incentive programs, including business tax credits and grant programs that drive private investment and economic growth in communities across Wisconsin. WEDA also encourages policymakers to preserve and enhance Wisconsin's TIF laws. Most communities across Wisconsin have used TIF to attract new industries, create jobs, and grow the local tax base. It is not a tax break or a corporate handout, but rather an effective financing tool that sparks development and ultimately reduces the tax burden of other property taxpayers.

- ✓ Increase from 12% to 18% the amount of taxable property permitted to be within a community's existing TIF districts. Increasing the TIF limit will pave the way for critical development projects, including workforce housing that would not be possible "but for" TIF assistance.
- ✓ Authorize environmental remediation TIF districts to be created for the redevelopment of existing buildings that contain environmental pollution, such as asbestos. This proposal would encourage redevelopment projects that are currently impractical due to environmental concerns.
- ✓ Bring Wisconsin's Business Development Tax Credit in line with current economic realities by basing eligibility on total payroll, increasing tax benefits for capital investment, and expanding the list of eligible businesses. These simple and important modifications will alleviate various barriers for businesses to secure and maintain this key tax credit.
- ✓ Maintain the Manufacturing and Agriculture Tax Credit in its current form. This tax credit is a valuable business attraction and retention tool and makes Wisconsin a more desirable place for businesses looking to relocate or expand.
- ✓ Create a Wisconsin New Market Tax Credit, as a supplement to the Federal NMTC credit, to encourage investors to fund businesses in economically challenged communities across the state. This action would harmonize state and federal programs, creating an added incentive to increase the overall appeal of Wisconsin's investment climate.

ADVANCE WORKFORCE DEVELOPMENT:

WEDA supports efforts to build and maintain a skilled workforce that meets the needs of Wisconsin employers, as the ability to find enough workers to fill open jobs remains a top concern for businesses throughout the state. To help strengthen the Wisconsin workforce, WEDA encourages lawmakers to implement programs and policies that enhance the skills of Wisconsin workers, attract skilled, in-demand professionals to the state, and promote the development of much-needed workforce housing.

- ✓ Increase the amount of residential development permitted in a "mixed-use" TIF district from 35% to 60% of the district if the residential development that exceeds 35% is used for workforce housing. This proposal will leverage the power of TIF to address Wisconsin's workforce housing shortage and build additional housing to help keep up with demand.
- ✓ Expand from one year to three years the length of time a community may extend the life of a TIF district for the purpose of increasing the amount of workforce housing in the community. This initiative will provide communities with a needed tool to address rising home construction costs, the limited supply of affordable housing options, and replace aging housing stock.
- ✓ Incentivize local communities to implement policies that encourage additional workforce housing development. This proposal will help address certain market forces and policies that have made building workforce housing a difficult proposition.
- ✓ Create a state workforce housing tax credit administered by WHEDA for multi-family workforce housing. Unfortunately, building affordable housing for Wisconsin workers and their families can often be economically impractical. There is a significant gap between the cost of construction and what many people can afford to pay in rent or a mortgage. This proposed tax credit will help limit the challenges and narrow the gaps developers face when financing workforce housing projects.
- ✓ Create a sales tax exemption for building equipment and supplies used in workforce housing development to drive down housing construction costs.
- ✓ Create a business grant program to help fund private sector-led programs to retain and attract skilled employees to Wisconsin and address local workforce needs.



COMPETITIVE BUSINESS CLIMATE:

WEDA supports effective regulatory reforms and equitable tax policies to help foster a competitive business climate. An equitable tax climate and a fair, streamlined regulatory environment is essential to creating opportunities for business growth and additional capital investment in Wisconsin communities.

- ✓ Support legislation to close the “Dark Store” property tax loophole in Wisconsin. Use of the “Dark Store” strategy by certain commercial property owners has created an unfair tax shift and has had an adverse impact on economic development. Closing the loophole will end the selective application of property tax assessment and ensure the stability of tax incremental financing and local economic development efforts.
- ✓ Encourage the Wisconsin Economic Development Corporation and other agencies across state government to create a strong economic development climate and promote programs and policies that advance economic prosperity.

ROBUST INFRASTRUCTURE:

WEDA supports consistent investment in transportation infrastructure – including a modern highway system and well-maintained roads, freight rail and harbors – as it is intertwined with economic growth and critical to business productivity. Equally important is the public sector’s investment in broadband, as economic opportunities and growth are increasingly dependent on the availability of this critical infrastructure element. In addition to facilitating commerce, broadband access is also key to the delivery of education, healthcare, and government services. That is why the accelerated and continual investment in building-out Wisconsin’s broadband network is essential for economic success.

- ✓ Support a reliable, practical funding source for the maintenance and development of a modern, statewide transportation network.
- ✓ Support additional funding and regulatory reforms to further expand rural broadband access across Wisconsin.

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