

Wisconsin Institute of Law & Liberty: Fights crony capitalism at Supreme Court

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Milwaukee, WI - WILL President and General Counsel Rick Esenberg will participate in oral arguments today before the Wisconsin Supreme Court in *Voters With Facts v. The City of Eau Claire*. WILL is representing Voters With Facts, a grassroots organization challenging the legality of two tax incremental finance districts (TIF) in Eau Claire that will hand millions of dollars to a private developer to build a new performing arts center and other buildings in its historic downtown district.

Details: The oral argument is at 1:30 PM in the State Supreme Court in Madison and can be watched online by clicking [here](#).

Background: TIF districts have become the favorite tool of crony capitalists to pay off well-connected business owners while making it “look” like taxes aren’t being spent. TIF districts were created by the legislature to permit cities to deal with truly run-down areas by permitting those cities to borrow against the growth in tax revenue that development of such blighted areas would bring. But cities are first supposed to make sure that (1) the area is truly blighted, and (2) development wouldn’t happen in the area without the TIF district.

In Eau Claire, neither of those two things happened - the government officials merely reached those conclusions without actually seeing any evidence that they were true. WILL’s lawsuit alleges that the TIF districts are illegal for the following

reasons:

The properties within the TIF districts do not meet the legal definition of “blight”

Development within the TIF districts would occur even without TIF money

The city council and the joint review board (a board made up of representatives of the different authorities that can tax property within the district) lacked a factual basis for their conclusions

The TIF districts lack a valid public purpose

The TIF districts violate the Uniformity Clause of the Wisconsin Constitution

TIF funds are unlawfully being used to reimburse the developer for demolishing historic buildings

More information about the case can be found [here](#).

The suit was initially dismissed by the Eau Claire County Circuit Court, which concluded that the plaintiffs – all taxpayers who have been negatively affected by the creation of the TIF districts – lacked standing to challenge the districts. The Court of Appeals upheld that ruling, except that it concluded the plaintiffs could proceed with a more limited challenge.