



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-2961/1
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2021 SENATE BILL 468

July 21, 2021 - Introduced by Senators BALLWEG, COWLES, PETROWSKI, PFAFF and WANGGAARD, cosponsored by Representatives OLDENBURG, PLUMER, CABRAL-GUEVARA, CONSIDINE, GUNDRUM, KRUG, ROZAR, SNYDER, SPIROS, TAUCHEN, TITTL and VANDERMEER. Referred to Committee on Utilities, Technology and Telecommunications.

1 **AN ACT to renumber** 79.04 (5) (a) 1. to 5. and 79.04 (5) (b) 1. to 5.; **to amend**
2 66.0602 (3) (n) 1., 66.0602 (3) (n) 2., 79.04 (5) (a) (intro) and 79.04 (5) (b) (intro);
3 and **to create** 79.005 (1h), 79.04 (5) (a) 1m. (intro.), 79.04 (5) (a) 2m., 79.04 (5)
4 (b) 1m. (intro.), 79.04 (5) (b) 2m. and 79.04 (8) of the statutes; **relating to:**
5 changing the phase-out of utility aid payments for decommissioned power
6 plants.

Analysis by the Legislative Reference Bureau

This bill provides that if a power production plant that is exempt from property taxes is decommissioned, and therefore becomes taxable, the county and municipality where the plant is located will receive a utility aid payment for the first 10 years in which the plant is subject to the property tax in an amount equal to a percentage of the utility aid payment that the county or municipality received for the last year in which the plant was exempt. Under the bill, “decommissioned” means, with regard to a production plant, the earliest of the following: 1) the production plant is no longer recovered through the utility’s rates; or 2) the production plant is sold to a person who is not subject to the annual license fees imposed by the state.

Under current law, the county and municipality where a decommissioned or closed plant is located each receive a utility aid payment for the first five years in which the plant is subject to the property tax in an amount equal to a percentage of the utility aid payment received for the last year in which the plant was exempt.

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The bill also provides that, with regard to a power production plant that has multiple power generation units, the utility aid payment received by a county or municipality will not be reduced on the basis that one or more, but not all, of the power generation units are no longer generating electricity, and the amount of the payment will be the same as the payment received in the year before the year the first power generation unit stopped generating electricity. In addition, the 10-year phase out of utility aid payments under the bill does not begin until the production plant is decommissioned, and the amounts of the phase-out payments are determined on the basis of the amount of the payment received in the year before the year the first power generation unit stopped generating electricity.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 66.0602 (3) (n) 1. of the statutes is amended to read:
2 66.0602 (3) (n) 1. For a political subdivision that receives a payment under s.
3 79.04 (5) (a) or (b), the limit otherwise applicable under this section is increased by
4 the amount that the political subdivision levies in that year to replace a revenue
5 reduction incurred under s. 79.04 (5) (a) or (b). Subject to subd. 2., the amount levied
6 under this paragraph for a particular property may not exceed the amount paid to
7 the political subdivision under s. 79.04 (5) (a) 1. ~~or, 2019 stats., s. 79.04 (5) (b) 1., 2019~~
8 stats., or s. 79.04 (5) (a) 1m. a. or 2m. a. or (b) 1m. a. or 2m. a., less the amount to be
9 paid to the political subdivision under s. 79.04 (5) (a) or (b) in the year in which the
10 levy is imposed and less any amounts previously levied under this paragraph. A
11 revenue reduction is incurred under this paragraph when the amount received by a
12 political subdivision under s. 79.04 (5) (a) or (b) in the current year is less than the
13 amount received under s. 79.04 (5) (a) or (b) in the previous year.

14 **SECTION 2.** 66.0602 (3) (n) 2. of the statutes is amended to read:

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1 66.0602 (3) (n) 2. This paragraph applies to revenue reductions for which a
2 payment under s. 79.04 (5) (a) or (b) is made after November 23, 2019. If the first
3 payment made under s. 79.04 (5) (a) or (b) after November 23, 2019, is under s. 79.04
4 (5) (a) 2. to 5. ~~or, 2019 stats., s. 79.04 (5) (b) 2. to 5., 2019 stats., or s. 79.04 (5) (a) 1m.~~
5 **b. to e. or 2m. b. to j. or (b) 1m. b. to e. 2m. b. to j.,** the amount of the payment made
6 under s. 79.04 (5) (a) or (b) in the previous year shall be used in determining the
7 maximum amount of revenue reduction incurred.

8 **SECTION 3.** 79.005 (1h) of the statutes is created to read:

9 79.005 (1h) “Decommissioned” means, with regard to a production plant, the
10 earliest of the following:

11 (a) The production plant is no longer recovered through the utility’s rates.

12 (b) The production plant is sold to a person who is not subject to the annual
13 license fee imposed under s. 76.28 (2) or 76.29 (2).

14 **SECTION 4.** 79.04 (5) (a) (intro) of the statutes is amended to read:

15 79.04 (5) (a) (intro.) If property that was exempt from the property tax under
16 s. 70.112 (4) and that was used to generate power by a light, heat, or power company,
17 except property under s. 66.0813, unless the production plant is owned or operated
18 by a local governmental unit located outside of the municipality, or by an electric
19 cooperative, or by a municipal electric company under s. 66.0825, is decommissioned
20 or closed, the municipality shall be paid, from the public utility account, an amount
21 equal to the following percentages of the payment that the municipality received
22 under this section during the last year that the property was exempt from the
23 property tax:

24 **SECTION 5.** 79.04 (5) (a) 1. to 5. of the statutes are renumbered 79.04 (5) (a) 1m.

25 a. to e.

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1 **SECTION 6.** 79.04 (5) (a) 1m. (intro.) of the statutes is created to read:

2 79.04 (5) (a) 1m. (intro.) For property decommissioned before January 1, 2021:

3 **SECTION 7.** 79.04 (5) (a) 2m. of the statutes is created to read:

4 79.04 (5) (a) 2m. For property decommissioned after December 31, 2020:

5 a. In the first year that the property is taxable, 100 percent.

6 b. In the 2nd year that the property is taxable, 90 percent.

7 c. In the 3rd year that the property is taxable, 80 percent.

8 d. In the 4th year that the property is taxable, 70 percent.

9 e. In the 5th year that the property is taxable, 60 percent.

10 f. In the 6th year that the property is taxable, 50 percent.

11 g. In the 7th year that the property is taxable, 40 percent.

12 h. In the 8th year that the property is taxable, 30 percent.

13 i. In the 9th year that the property is taxable, 20 percent.

14 j. In the 10th year that the property is taxable, 10 percent.

15 **SECTION 8.** 79.04 (5) (b) (intro) of the statutes is amended to read:

16 79.04 (5) (b) (intro.) If property that was exempt from the property tax under

17 s. 70.112 (4) and that was used to generate power by a light, heat, or power company,

18 except property under s. 66.0813, unless the production plant is owned or operated

19 by a local governmental unit located outside of the municipality, or by an electric

20 cooperative, or by a municipal electric company under s. 66.0825, is decommissioned

21 or closed, the county shall be paid, from the public utility account, an amount equal

22 to the following percentages of the payment the county received under this section

23 during the last year that the property was exempt from the property tax:

24 **SECTION 9.** 79.04 (5) (b) 1. to 5. of the statutes are renumbered 79.04 (5) (b) 1m.

25 a. to e.

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1 **SECTION 10.** 79.04 (5) (b) 1m. (intro.) of the statutes is created to read:

2 79.04 (5) (b) 1m. (intro.) For property decommissioned before January 1, 2021:

3 **SECTION 11.** 79.04 (5) (b) 2m. of the statutes is created to read:

4 79.04 (5) (b) 2m. For property decommissioned after December 31, 2020:

5 a. In the first year that the property is taxable, 100 percent.

6 b. In the 2nd year that the property is taxable, 90 percent.

7 c. In the 3rd year that the property is taxable, 80 percent.

8 d. In the 4th year that the property is taxable, 70 percent.

9 e. In the 5th year that the property is taxable, 60 percent.

10 f. In the 6th year that the property is taxable, 50 percent.

11 g. In the 7th year that the property is taxable, 40 percent.

12 h. In the 8th year that the property is taxable, 30 percent.

13 i. In the 9th year that the property is taxable, 20 percent.

14 j. In the 10th year that the property is taxable, 10 percent.

15 **SECTION 12.** 79.04 (8) of the statutes is created to read:

16 79.04 (8) All of the following apply to the payments for property of a production
17 plant that includes multiple power generation units, except that this subsection
18 applies only if the production plant's first power generation unit stops generating
19 electricity after the effective date of this subsection [LRB inserts date]:

20 (a) No payment received by a municipality or county under sub. (1), (2), (6), or
21 (7) shall be reduced on the basis that one or more, but not all, of the power generation
22 units are no longer generating electricity, and the amount of the payment shall be
23 the amount that the municipality or county received in the year before the year in
24 which the first power generation unit stopped generating electricity.

