

## 1999 SENATE BILL 432

March 1, 2000 – Introduced by Senators ROBSON, ERPENBACH and WIRCH, cosponsored by Representatives KEDZIE, WOOD, POWERS, GARD, NASS and SCHOOFF. Referred to Joint committee on Finance.

1     **AN ACT** *to amend* 20.866 (1) (u); *to repeal and recreate* 20.866 (1) (u); and *to*  
2             *create* 20.395 (2) (fb), 20.395 (2) (fz), 20.395 (6) (af), 20.866 (2) (uwz) and 86.312  
3             of the statutes; **relating to:** creating a grant program to improve local roads for  
4             job preservation, granting bonding authority and making appropriations.

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### ***Analysis by the Legislative Reference Bureau***

Under current law, the department of transportation (DOT) administers a transportation facilities economic assistance and development program. Under that program, DOT awards grants from the segregated transportation fund to cities, villages, towns, counties, regional planning commissions and transit commissions for the construction or improvement of roads, runways, harbors or railways that is part of a business development that directly and significantly increases the number of jobs in this state. DOT awards the grants after considering, among other things, whether the project is a justified transportation need and serves a public purpose; the ratio of the project's cost to the number of jobs created; whether the local unit of government will contribute 50% of the cost of the project; the statewide economic impact of the project; and the employment rate of the area served by the project. In general, the amount of the grant is the lesser of 50% of the cost of the project, or \$5,000 per job created. In the 1999–2001 fiscal biennium, \$7,000,000 of state segregated transportation revenues are available for grants under the program.

Also under current law, DOT administers a local roads improvement program to reimburse cities, villages, towns and counties for up to 50% of eligible costs of local road improvements (construction projects for highways having a projected design life

**SENATE BILL 432**

of at least ten years and feasibility studies for such highways). In the 1999–2001 fiscal biennium, \$41,312,400 of state segregated transportation revenues are available for reimbursement under the program, of which 28.5% (\$11,774,034) is reserved for city and village street improvements.

This bill creates a local roads for job preservation grant program. Under the program, DOT may award grants to any city, village, town or county for the development, construction, repair or improvement of a local road that DOT determines is necessary to support business and to retain jobs in the vicinity of the local road. A project is eligible for a grant if the secretary of transportation determines that unless the project is completed, the political subdivision could lose a number of jobs equal to or greater than 5% of the population of the political subdivision, or that the project is necessary to retain any number of jobs of one or more employer that employs at least 5% of the work force residing in the political subdivision. The grants may pay for any costs relating to such a project, including costs of acquiring rights-of-way, and planning, designing, engineering and constructing a local road. A “local road” is any street under the authority of a city or village, and any county trunk highway or town road. DOT may award not more than \$10,000,000 under the program. The bill requires the city, village, town or county to pay at least 20% of the total cost of the project.

The bill authorizes the state to issue general obligation bonds to provide up to \$10,000,000 in state moneys, repaid from the general fund. The bill requires that any grant awarded under the program be paid first from available federal moneys allocated by DOT and approved by the joint committee on finance, or allocated by the joint committee on finance, for that purpose. If the amount of available federal moneys is insufficient to pay the award, the remainder of the award is paid from an appropriation in the general fund. If the amount of available federal moneys and general purpose revenues is insufficient to pay the award, the remainder of the award may be paid with the proceeds of general obligation bonds. This bill appropriates no federal moneys or general purpose revenue for paying grants awarded under the program (other than authorizing the use of general purpose revenues to repay principal and interest on any general obligation bonds). Under the bill, that portion of any award for costs of acquiring rights-of-way or for planning, designing and engineering, may be paid immediately from bond proceeds, regardless of the availability of any federal moneys or general purpose revenues available for these activities.

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

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

1           **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
2 the following amounts for the purposes indicated:

**SENATE BILL 432**

1		<b>1999-00</b>	<b>2000-01</b>
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2 **20.395 Transportation, department of**

3 (2) LOCAL TRANSPORTATION ASSISTANCE

4 (fb) Local roads for job preservation,

5	state funds	GPR	C	-0-	-0-
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6 **SECTION 2.** 20.395 (2) (fb) of the statutes is created to read:

7 20.395 (2) (fb) *Local roads for job preservation, state funds.* From the general  
8 fund, as a continuing appropriation, the amounts in the schedule for the purpose of  
9 the local roads for job preservation program under s. 86.312.

10 **SECTION 3.** 20.395 (2) (fz) of the statutes is created to read:

11 20.395 (2) (fz) *Local roads for job preservation, federal funds.* All moneys  
12 received from the federal government that are credited to this appropriation under  
13 s. 84.03 (2), for the purpose of the local roads for job preservation program under s.  
14 86.312.

15 **SECTION 4.** 20.395 (6) (af) of the statutes is created to read:

16 20.395 (6) (af) *Principal repayment and interest, local roads for job*  
17 *preservation, state funds.* From the general fund, a sum sufficient to reimburse s.  
18 20.866 (1) (u) for the payment of principal and interest costs incurred in financing  
19 the local roads for job preservation program under s. 86.312, and to make the  
20 payments determined by the building commission under s. 13.488 (1) (m) that are  
21 attributable to the proceeds of obligations incurred in financing the local roads for  
22 job preservation program under s. 86.312.

23 **SECTION 5.** 20.866 (1) (u) of the statutes, as affected by 1999 Wisconsin Act 9,  
24 section 628, is amended to read:

**SENATE BILL 432**

1           20.866 (1) (u) *Principal repayment and interest.* A sum sufficient from moneys  
2 appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (f), 20.190 (1)  
3 (c), (d), (i) and (j), 20.225 (1) (c), 20.245 (1) (e), (2) (e) and (j), (4) (e) and (5) (e), 20.250  
4 (1) (e), 20.255 (1) (d), 20.275 (1) (er), (es), (h) and (hb), 20.285 (1) (d), (db), (fh), (ih),  
5 (kd) and (km) and (5) (i), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7) (aa), (ac), (ag),  
6 (aq), (ar), (at), (au), (ba), (ca), (cb), (cc), (cd), (ce), (cf), (ea), (eq) and (er), 20.395 (6) (af),  
7 (aq) and (ar), 20.410 (1) (e), (ec) and (ko) and (3) (e), 20.435 (2) (ee) and (6) (e), 20.465  
8 (1) (d), 20.485 (1) (f) and (go), (3) (t) and (4) (qm), 20.505 (5) (c), (g) and (kc), 20.855  
9 (8) (a) and 20.867 (1) (a) and (b) and (3) (a), (b), (bp), (br), (g), (h), (i) and (q) for the  
10 payment of principal and interest on public debt contracted under subchs. I and IV  
11 of ch. 18.

12           **SECTION 6.** 20.866 (1) (u) of the statutes, as affected by 1999 Wisconsin Act 9,  
13 section 628b, and 1999 Wisconsin Act .... (this act), is repealed and recreated to read:

14           20.866 (1) (u) *Principal repayment and interest.* A sum sufficient from moneys  
15 appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (f), 20.190 (1)  
16 (c), (d), (i) and (j), 20.225 (1) (c), 20.245 (1) (e), (2) (e) and (j), (4) (e) and (5) (e), 20.250  
17 (1) (e), 20.255 (1) (d), 20.275 (1) (er), (es), (h) and (hb), 20.285 (1) (d), (db), (fh), (ih),  
18 (kd) and (km) and (5) (i), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7) (aa), (ac), (ag),  
19 (aq), (ar), (at), (ba), (ca), (cb), (cc), (cd), (ce), (cf), (ea), (eq) and (er), 20.395 (6) (af), (aq)  
20 and (ar), 20.410 (1) (e), (ec) and (ko) and (3) (e), 20.435 (2) (ee) and (6) (e), 20.465 (1)  
21 (d), 20.485 (1) (f) and (go), (3) (t) and (4) (qm), 20.505 (5) (c), (g) and (kc), 20.855 (8)  
22 (a) and 20.867 (1) (a) and (b) and (3) (a), (b), (bp), (br), (g), (h), (i) and (q) for the  
23 payment of principal and interest on public debt contracted under subchs. I and IV  
24 of ch. 18.

25           **SECTION 7.** 20.866 (2) (uwz) of the statutes is created to read:

**SENATE BILL 432**

1           20.866 **(2)** (uwz) *Transportation; local roads for job preservation, state funds.*  
2 From the capital improvement fund, a sum sufficient for the department of  
3 transportation to award grants under s. 86.312. The state may contract public debt  
4 in an amount not to exceed \$10,000,000 for this purpose.

5           **SECTION 8.** 86.312 of the statutes is created to read:

6           **86.312 Local roads for job preservation program. (1)** In this section:

7           (a) “Job” means an employment position providing full-time equivalent  
8 employment. “Job” does not include initial training before an employment position  
9 begins.

10          (b) “Local roads” means streets under the authority of cities or villages, county  
11 trunk highways or town roads.

12          (c) “Political subdivision” means any city, village, town or county.

13          (d) “Population” means the number of inhabitants in the previous year  
14 determined by the department of administration under s. 16.96 (2) for purposes of  
15 revenue sharing distribution.

16          (e) “Project” means the development, construction, repair or improvement of  
17 a local road.

18          **(2)** (a) The department shall administer a local roads for job preservation  
19 program to award grants to political subdivisions for any project that the department  
20 determines is necessary to support business and retain jobs in the vicinity of the local  
21 road. The department may award grants under this section for any costs related to  
22 a project, including costs of acquiring rights-of-way, planning, designing,  
23 engineering and constructing a local road.

**SENATE BILL 432**

1 (b) The department may, upon application, award a grant to any political  
2 subdivision under this section for a project if the secretary determines all of the  
3 following:

4 1. That if the project is not completed, the political subdivision could lose a  
5 number of jobs equal to or greater than 5% of the population of the political  
6 subdivision, or that the project is necessary to retain jobs of one or more employer  
7 who employs at least 5% of the work force residing in the political subdivision.

8 2. That the political subdivision will provide the local share required under sub.  
9 (3).

10 **(3)** Each political subdivision that receives a grant under this section shall  
11 provide a local contribution toward the costs of the project in an amount equal to at  
12 least 20% of the cost of the project.

13 **(4)** (a) Except as provided in this subsection, grants under this section may be  
14 paid from the appropriations under ss. 20.395 (2) (fb) and (fz) and 20.866 (2) (uwz).  
15 Notwithstanding par. (b), the department may pay from the appropriation under s.  
16 20.866 (2) (uwz) that portion of a grant that is intended to be used to acquire  
17 rights-of-way or to plan, design or engineer a project.

18 (b) 1. Except as provided in subds. 2. and 3., the portion of any grant awarded  
19 under this section for local road construction shall be paid from the appropriation  
20 under s. 20.395 (2) (fz).

21 2. Except as provided in subd. 3., if the portion of any grant awarded under this  
22 section for local road construction exceeds the amount of unencumbered funds under  
23 s. 20.395 (2) (fz), the department shall pay from the appropriation under s. 20.395  
24 (2) (fb) the amount by which that portion exceeds the unencumbered funds available  
25 in the appropriations under s. 20.395 (2) (fz).

**SENATE BILL 432**

1           3. If the portion of any grant awarded under this section for local road  
2 construction exceeds the amount of unencumbered funds under s. 20.395 (2) (fb) and  
3 (fz), the department shall pay from the appropriation under s. 20.866 (2) (uwz) the  
4 amount by which that portion exceeds the unencumbered funds available in the  
5 appropriations under s. 20.395 (2) (fb) and (fz).

6           **(5)** Costs incurred by a city, village, town or county for a project awarded under  
7 this section are not eligible for reimbursement under s. 86.31.

8           **(6)** The sum of grants awarded under this section may not exceed \$10,000,000.

9           **SECTION 9. Effective date.**

10           (1) The treatment of section 20.866 (1) (u) (by SECTION 6) of the statutes takes  
11 effect on July 1, 2001.

12

(END)