



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2011 Assembly Bill 279**

**Assembly Amendment 1**

*Memo published:* November 2, 2011

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### **Current Law**

Current law provides expenditure restraint state aid payments to a town, village, or city (municipality) if the municipality meets two eligibility criteria. First, the municipality must have a ***full value property tax rate that exceeds five mills***, which is determined by the tax rate that was levied two years prior to the year for which the expenditure restraint aid payment would be eligible. Second, a municipality must ***restrict the growth rate of its budget*** to a percentage determined by the rate of inflation plus an adjustment based upon the growth of property values in the municipality.

For purposes of meeting the second requirement for expenditure restraint aid eligibility (the growth rate of the budget), the statutes allow a municipality to exclude various types of payments from its budget. In determining the municipality's budget, the following expenditures are excluded:

- Principal and interest payments on long-term debt.
- Amounts paid by the municipality as state recycling tipping fees.
- Amounts paid by a municipality under a revenue sharing agreement.
- Unreimbursed expenses related to emergencies declared by an executive order of the Governor.
- Expenditures from moneys received pursuant to the federal American Recovery and Revitalization Act of 2009.

**2011 Assembly Bill 279**

**2011 Assembly Bill 279** (the bill) adds an additional type of expenditure to the list that a municipality may exclude for the purpose of determining whether its budget meets the growth rate requirement for receiving expenditure restraint state aid. The bill allows the municipality to exclude any expenditure made pursuant to a purchasing agreement with a school district whereby the municipality makes purchases on behalf of the school district. The ability to exclude this type of expenditure first applies to payments related to this type of expenditure made in 2011.

**Assembly Amendment 1**

**Assembly Amendment 1** (AA1) changes the initial applicability date to first apply to payments made in 2013.

**Legislative History**

On October 17, 2011, Representative Petrowski introduced AA1. On November 1, 2011, the Assembly Committee on Urban and Local Affairs voted to recommend adoption of AA1 by a vote of Ayes, 9; Noes, 0; and voted to recommend passage of the bill, as amended, by a vote of Ayes, 9; Noes, 0.

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