



2009 SENATE BILL 532

February 11, 2010 – Introduced by Senators PLALE, TAYLOR, LEHMAN, COGGS, HANSEN and A. LASEE, cosponsored by Representatives SMITH, TURNER, ZIGMUNT, JORGENSEN, SINICKI, ZEPNICK, STEINBRINK, HRAYCHUCK and VRUWINK. Referred to Committee on Ethics Reform and Government Operations.

1 **AN ACT** *to amend* 79.015, 79.02 (2) (b) and 79.02 (3) (a); and *to create* 20.835 (1)
2 (bm), 79.01 (1m) and 79.044 of the statutes; **relating to:** additional municipal
3 aid payments based on the amount of all municipal aid payments compared to
4 total general fund expenditures and on regional factors and making an
5 appropriation.

Analysis by the Legislative Reference Bureau

Under current law, generally, beginning in 2011, a municipality receives an annual municipal aid payment from the state (otherwise known as shared revenue) that is equal to the amount it received in 2010. Under this bill, beginning in 2014, each municipality also will receive a payment based on its population in proportion to the population of the region where the municipality is located. This bill creates eight regions and each region consists of several counties. For purposes of determining the municipality's payment, the municipality's population is adjusted to reflect the average of the adjusted gross income of the municipality's population, as compared to that of the region, and the equalized value of the municipality's property, as compared to that of the region. The total amount of these payments is equal to 75 percent of the difference between the total amount of municipal aid payments paid in the previous year and the total amount of municipal aid payments paid in the previous year increased by a percentage that represents the portion of all general fund expenditures for the year allocated to municipal aid.

In addition to the payment based on a municipality's region, each municipality will receive a payment based on its population in proportion to the population of all

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municipalities. The population used to determine the payment is adjusted to reflect the average of the adjusted gross income of the municipality's population, as compared to that of all municipalities, and the equalized value of the municipality's property, as compared to that of all municipalities. The total amount of these payments is equal to 25 percent of the difference between the total amount of municipal aid payments paid in the previous year and the total amount of municipal aid payments paid in the previous year increased by a percentage that represents the portion of all general fund expenditures for the year allocated to municipal aid.

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.** 20.835 (1) (bm) of the statutes is created to read:

2 20.835 (1) (bm) *Municipal aid; regional development incentive account.* A sum
3 sufficient to make the payments under s. 79.044.

4 **SECTION 2.** 79.01 (1m) of the statutes is created to read:

5 79.01 (1m) There is established an account in the general fund entitled the
6 “Municipal Aid; Regional Development Incentive Account.”

7 **SECTION 3.** 79.015 of the statutes is amended to read:

8 **79.015 Statement of estimated payments.** The department of revenue, on
9 or before September 15 of each year, shall provide to each municipality and county
10 a statement of estimated payments to be made in the next calendar year to the
11 municipality or county under ss. 79.03, 79.035, 79.04, 79.044, 79.05, 79.058, and
12 79.06.

13 **SECTION 4.** 79.02 (2) (b) of the statutes is amended to read:

14 79.02 (2) (b) Subject to ss. 59.605 (4) and 70.995 (14) (b), payments in July shall
15 equal 15% of the municipality's or county's estimated payments under ss. 79.03,
16 79.035, 79.04, 79.044, 79.058, and 79.06 and 100% of the municipality's estimated
17 payments under s. 79.05.

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1 **SECTION 5.** 79.02 (3) (a) of the statutes is amended to read:

2 79.02 (3) (a) Subject to s. 59.605 (4), payments to each municipality and county
3 in November shall equal that municipality's or county's entitlement under ss. 79.03,
4 79.035, 79.04, 79.044, 79.05, 79.058, and 79.06 for the current year, minus the
5 amount distributed to the municipality or county in July.

6 **SECTION 6.** 79.044 of the statutes is created to read:

7 **79.044 Municipal aid; regional development incentive. (1)** In this
8 section, "region" means any of the following:

9 (a) Forest, Iron, Langlade, Lincoln, Oneida, and Vilas counties.

10 (b) Buffalo, Crawford, Jackson, Juneau, La Crosse, Monroe, Richland,
11 Trempealeau, and Vernon counties.

12 (c) Columbia, Dane, Dodge, Grant, Green, Iowa, Jefferson, Lafayette, Rock,
13 and Sauk counties.

14 (d) Chippewa, Dunn, Eau Claire, Pepin, Pierce, Polk, and St. Croix counties.

15 (e) Brown, Calumet, Door, Florence, Fond du Lac, Green Lake, Kewaunee,
16 Manitowoc, Marinette, Marquette, Menominee, Oconto, Outagamie, Shawano,
17 Sheboygan, Waupaca, Waushara, and Winnebago counties.

18 (f) Adams, Marathon, Portage, and Wood counties.

19 (g) Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and
20 Waukesha counties.

21 (h) Ashland, Barron, Bayfield, Burnett, Clark, Douglas, Price, Rusk, Sawyer,
22 Taylor, and Washburn counties.

23 **(2)** In 2014, and in each year thereafter, the total amount to be distributed
24 under this section is the amount determined as follows:

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1 (a) Add the amount distributed under this section in the year of the statement
2 under s. 79.015 and the amount distributed to municipalities under ss. 79.035 and
3 79.043 in the year of the statement under s. 79.015.

4 (b) Divide the amount of moneys designated as “Total Expenditures” in the
5 summary in s. 20.005 (1), as published in the biennial budget act or acts for the fiscal
6 year that corresponds to the year of the statement under s. 79.015 by the amount of
7 moneys designated as “Total Expenditures” in the summary in s. 20.005 (1), as
8 published in the biennial budget act or acts for the fiscal year that corresponds to the
9 year before the year of the statement under s. 79.015.

10 (c) Multiply the amount determined under par. (a) by the percentage
11 determined under par. (b).

12 (d) Subtract the sum of the amounts distributed to municipalities under ss.
13 79.035, 79.043, and this section in the year of the statement under s. 79.015 from the
14 amount determined under par. (c).

15 **(3)** Except as provided under sub. (6), in 2014, and in each year thereafter, each
16 municipality that has a property tax levy rate greater than 1 mill for the year before
17 the year of the statement under s. 79.015 shall receive a payment from the
18 appropriation under s. 20.835 (1) (bm) in the amount determined as follows:

19 (a) Multiply the amount determined in sub. (2) (d) by 0.75.

20 (b) Divide the per capita adjusted gross income for all municipalities for the
21 year that is 2 years before the year of the statement under s. 79.015 by the per capita
22 adjusted gross income of the municipality for the year that is 2 years before the year
23 of the statement under s. 79.015.

24 (c) Divide the per capita equalized value for all municipalities for the year that
25 is 2 years before the year of the statement under s. 79.015 by the per capita equalized

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1 value of the municipality for the year that is 2 years before the year of the statement
2 under s. 79.015.

3 (d) Divide the sum of pars. (b) and (c) by 2 and express the result as a
4 percentage.

5 (e) Multiply the municipality's population for the year that is 2 years before the
6 year of the statement under s. 79.015 by the percentage determined under par. (d).

7 (f) Divide the number determined under par. (e) by the total of the numbers
8 determined under par. (e) for all eligible municipalities and express the result as a
9 percentage.

10 (g) Multiply the amount determined under par. (a) by the percentage
11 determined under par. (f).

12 (4) Except as provided under sub. (6), in 2014, and in each year thereafter, each
13 municipality that has a property tax levy rate greater than 1 mill for the year before
14 the year of the statement under s. 79.015 shall receive a payment under this
15 subsection from the appropriation under s. 20.835 (1) (bm) in an amount determined
16 as follows:

17 (a) Multiply the amount determined in sub. (2) (d) by 0.25.

18 (b) Determine the total amount to be distributed to each region as follows:

19 1. For each region, calculate the sum amount of personal income, as determined
20 by the U.S. department of commerce, bureau of economic analysis, for all counties
21 in the region for the most recent year available.

22 2. For each region, calculate the sum amount of personal income, as determined
23 by the U.S. department of commerce, bureau of economic analysis, for all counties
24 in the region for the year before the most recent year available.

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1 3. For each region, subtract the amount determined under subd. 2. from the
2 amount determined under subd. 1., except that no amount determined under this
3 subdivision may be less than zero.

4 4. Add the amounts determined for each region under subd. 3.

5 5. For each region, divide the amount determined under subd. 3. by the amount
6 determined under subd. 4.

7 6. Multiply the amount determined under par. (a) by the percentage
8 determined under subd. 5.

9 (c) Divide the per capita adjusted gross income for the region in which the
10 municipality is located for the year that is 2 years before the year of the statement
11 under s. 79.015 by the per capita adjusted gross income of the municipality for the
12 year that is 2 years before the year of the statement under s. 79.015.

13 (d) Divide the per capita equalized value for the region in which the
14 municipality is located for the year that is 2 years before the year of the statement
15 under s. 79.015 by the per capita equalized value of the municipality for the year that
16 is 2 years before the year of the statement under s. 79.015.

17 (e) Divide the sum of pars. (c) and (d) by 2 and express the result as a
18 percentage.

19 (f) Multiply the municipality's population for the year that is 2 years before the
20 year of the statement under s. 79.015 by the percentage determined under par. (e).

21 (g) Divide the number determined under par. (f) by the total of the numbers
22 determined under par. (f) for all municipalities that are eligible to receive a payment
23 under this subsection and that are located in the same region as the municipality.

24 (h) Multiply the amount determined under par. (b) for the region in which the
25 municipality is located by the percentage determined under par. (g).

