

### 2001 Jr2 DRAFTING REQUEST

#### Senate Amendment (SA-SSA1-AB1)

Received: 06/27/2002

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau 69916

By/Representing: Olin

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Shared Revenue

Extra Copies:

Submit via email: NO

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#### Pre Topic:

LFB:.....Olin -

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#### Topic:

Shared Revenue and consolidation payments

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#### Instructions:

See Attached

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#### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 06/28/2002	jdyer 06/28/2002		_____			
/1			rschluet 06/28/2002	_____	lrb_docadmin 06/28/2002		
/2	jkreye 06/28/2002	kfollet 06/28/2002	chanaman 06/29/2002	_____	lrb_docadmin 07/01/2002		
	jkreye 07/01/2002	gilfokm 07/01/2002		_____			
/3	jkreye	gilfokm	rschluet	_____	lrb_docadmin		

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	07/02/2002 jkreye	07/02/2002 jdyer	07/02/2002	_____	07/02/2002		
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/4	jkreye 07/02/2002	jdyer 07/02/2002	rschluet 07/02/2002	_____	lrb_docadmin 07/02/2002		
/5			pgreensl 07/02/2002	_____	lrb_docadmin 07/02/2002		

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/2	jkreye 06/28/2002	kfollet 06/28/2002	chanaman 06/29/2002	<u>7</u> _____	lrb_docadmin 07/01/2002		
	jkreye 07/01/2002	gilfokm 07/01/2002	<u>7</u> _____	<u>10</u> _____			
/3	jkreye	gilfokm	rschluet	<u>15</u> _____	lrb_docadmin		

*Handwritten notes:*  
 - Under /2: 7 and 10 with lines through them.  
 - Under /3: 15 with a line through it, and "15 3/2 jld" written below.  
 - Large handwritten initials "PS/UC" are written across the bottom of the table.

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	07/02/2002 jkreye	07/02/2002 jdyer	07/02/2002	_____	07/02/2002		
	07/02/2002	07/02/2002		_____			
/4			rschluet	_____	lrb_docadmin		
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**Topic:**

~~Shared Revenue and consolidation payments~~

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**Instructions:**

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FE Sent For:

13-7/1  
Kmg

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7-2-2 <END>

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Received: 06/27/2002

Received By: jkreyc

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau 69916

By/Representing: Olin

This file may be shown to any legislator: NO

Drafter: jkreyc

May Contact:

Addl. Drafters:

Subject: Shared Revenue

Extra Copies:

Submit via email: NO

Pre Topic:

LFB:.....Olin -

Topic:

Shared Revenue and consolidation payments

Instructions:

See Attached

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/1		1/2 6/28 kjf	rschluc 06/28/2002	_____	lrb_docadmin 06/28/2002		

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<END>



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For: Legislative Fiscal Bureau 69916

By/Representing: Olin

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Shared Revenue

Extra Copies: JLD

Submit via email: NO

Pre Topic:

LFB:.....Olin

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1/?	jkreye	1/28 jld					

6-28-2

FE Sent For:

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**Joint Finance:** Delete the Governor's recommendations regarding shared revenue and related aid programs and, instead, adopt the following:

a. Establish a sunset after <sup>2003</sup> ~~2002~~ for distributions under the three non-utility components of the shared revenue program (per capita, aidable revenues and minimum guarantee/maximum growth) and the county mandate relief, expenditure restraint and small municipalities shared revenue programs. Establish a December 31, ~~2003~~, <sup>2004</sup> sunset for encumbrances and expenditures from the current law appropriations for shared revenue and the other three affected programs. Delete references under current law to distributions under these four programs <sup>after</sup> ~~for~~ 2003 ~~and thereafter~~. ~~Delete the current law provision establishing each municipality's 2003 shared revenue payment at 101% of the amount received in 2002.~~

b. Create a new, GPR sum sufficient appropriation for county and municipal shared revenue. Specify that the amount distributed under this appropriation would equal ~~\$750,000,000 in 2003 and \$487,000,000 in 2004 and thereafter, plus any additional amounts determined under "c."~~ <sup>\$961,709,900</sup> Distribute 15% of the aid payments made from this appropriation on the fourth Monday in July and 85% of the aid payments on the third Monday in November.

~~c. Provide additional funding for county and municipal shared revenue in 2004 by multiplying the amount specified for that year by the lesser of the percentage growth in general fund taxes from 2002-03 to 2003-04, as estimated in the 2003-05 biennial budget act, and the percentage change in the consumer price index for the year ending in June, 2003, plus 1%. For distributions in 2005 and thereafter, provide additional funding for county and municipal shared revenue by multiplying the amount distributed in the prior year by the lesser of the percentage growth in general fund taxes from the fiscal year two years prior to the fiscal year of the distribution to the fiscal year prior to the fiscal year of the distribution and the percentage change in the consumer price index for the year ending in June prior to the year of the distribution plus 1%. For the general fund taxes for the fiscal year prior to the fiscal year of the distribution use the amount as estimated in either the biennial budget act (first year of the biennium) or the final version of Chapter 20 of the statutes (second year of the biennium).~~

d. Specify that each county and municipality would receive a payment from the new county and municipal shared revenue appropriation in <sup>2004</sup> ~~2003~~ based on the actual amounts ~~received by the county or municipality for the 2002 distribution under the four components of shared revenue and the other three programs.~~ Specify that the 2003 amount for each county and municipality would be determined by reducing the ~~2002~~ amount by an amount based on population, as determined by DOR, so that the statewide distribution equals the total amount appropriated for 2003. Provide that the 2003 payment calculated under this procedure could not be less than 35% of a county's or municipality's ~~2002~~ total payment. Require DOR, in consultation with DOA, to estimate populations using the results of the 2000 federal decennial census. Require DOR to notify counties and municipalities of estimated payments by September 15 of the year preceding the distribution.

*incorporate the new consolidation aid*

retain

e.

Modify the public utility aid distribution as follows:

1. *Appropriations.* Create a separate, sum sufficient GPR appropriation for making utility aid payments, beginning with the distribution for 2004.

2003

2. *Distribution Formula.* Sunset the current law formula for distributing utility aid on the basis of net book value and rates of three mills or six mills, effective following payments for ~~2002~~ 2003. Create a distributional formula, effective with payments for 2004, based on the capacity of light, heat and power production plants as follows: (a) extend payments to municipalities and counties that contain, within their boundaries, light, heat and power production plants used by a light, heat and power company, a qualified wholesale electric company, a wholesale merchant plant or an electric cooperative subject to state license fees imposed under Chapter 76 of the statutes or by municipal electric companies subject to ad valorem payments in lieu of taxes under s. 66.0825(16) of the statutes; (b) exclude property of municipal light, heat and power companies from the payments unless the production plant is located outside the municipality owning the plant; (c) specify that payments be calculated on the basis of total megawatt capacity of eligible production plants within each municipality, as reported by the plant's owner or operator, but distribute two-thirds of each municipal payment to the county where the municipality is located if the municipality is a town and distribute one-third of each municipal payment to the county where the municipality is located if the municipality is a city or village; (d) set municipal payments equal to \$2,000,000 if capacity is over 3,000 megawatts, \$1,500,000 if capacity is over 2,400, but not more than 3,000, megawatts, \$1,300,000 if capacity is over 1,800, but not more than 2,400, megawatts, \$1,150,000 if capacity is over 1,300, but not more than 1,800, megawatts, \$1,000,000 if capacity is over 800, but not more than 1,300, megawatts, \$800,000 if capacity is over 400, but not more than 800, megawatts, \$700,000 if capacity is over 300, but not more than 400, megawatts, \$500,000 if capacity is over 200, but not more than 300, megawatts, \$300,000 if capacity is over 100, but not more than 200, megawatts, \$150,000 if capacity is over 50, but not more than 100, megawatts, \$50,000 if capacity is over 25, but not more than 50, megawatts, \$25,000 if capacity is over 10, but not more than 25, megawatts, and \$10,000 if capacity is 10 megawatts, or less; (e) specify that if a production plant is located in more than one municipality or county, the capacity associated with that plant shall be attributed to the municipality where the majority of the plant is located; however, provide that the resulting municipal payment be divided between the two municipalities based on the net book value of the plant as of December 31, 2003, or as of the date the property becomes operational, whichever is later; and finally, specify that only that portion of a municipal payment that is attributable to the plant that is located in two municipalities be divided, if the municipality to which the capacity is attributable contains more than one production plant; (f) specify that the payment division under (e) shall apply to property that is classified as production plant, under the system of accounts established by the PSC, but which is not an electric generating facility if the net book value of the related facility exceeds \$800,000; (g) maintain the current payment structure for substations calculated by multiplying the net book value of the substation by either three or six mills; (h) eliminate aid payments on general structures; (i) retain the per

capita payment limits authorized under current law, but increase the limits to \$450 for municipalities and \$225 for counties in 2004, to \$650 for municipalities and \$325 for counties in 2005, to \$950 for municipalities and \$475 for counties in 2006 and to \$1,200 for municipalities and \$600 for counties in 2007; (j) retain the distribution for nuclear storage facilities, as authorized under current law; (k) specify that in the case of a facility under construction, the megawatts associated with the facility shall be prorated for inclusion in the municipality's capacity based on the percentage of construction completed on December 31 of the prior year, as determined by DOR; and (L) specify that the combined municipal and county payment cannot be less than the amount that would be paid for the plant in 2004 under the current law distribution formula, provided the plant remains in operation.

3. *Incentive Aid.* Beginning in 2004, extend payments to municipalities and counties where production plants are sited that begin operation on, or after, January 1, 2003, provided the plant meets three conditions: (a) the plant must be built on, or adjacent to, the site of an existing or decommissioned plant or on, or adjacent to, the site of a brownfield, as defined under current law; (b) the plant must be operating at a total production capacity of at least 50 megawatts; and (c) the plant cannot be nuclear-powered. Set payments equal to the following amounts based on the total megawatt capacity of the new plant: (a) if the plant has a capacity over 600 megawatts, \$420,000 each for counties and municipalities; (b) if the plant has a capacity over 400 megawatts, but not more than 600 megawatts, \$300,000 each for counties and municipalities; (c) if the plant has a capacity of more than 200 megawatts, but not more than 400 megawatts, \$180,000 each for counties and municipalities; (d) if the plant has a capacity over 100 megawatts, but not more than 200 megawatts, \$90,000 each for counties and municipalities; and (e) if the plant has a capacity of at least 50 megawatts, but not more than 100 megawatts, \$45,000 each for counties and municipalities. Specify that payments would not be made for construction work in-progress, as under the current law distribution formula. Double the preceding municipal amounts if the production plant is coal-powered.

4. *Payment Structure.* Retain current law provisions with regard to the statement of estimated payments, dates for making payments and percentages of payments.

f. Create an appropriation from the permanent endowment (tobacco securitization) fund to pay a portion of the November, 2002, distribution under the shared revenue, county mandate relief and small municipalities shared revenue programs, using all available endowment funds, as determined by DOA. Estimate expenditures from this appropriation at \$594,000,000 SEG in 2002-03. Reduce the amounts paid in November, 2002, from the general fund proportionally to reflect the amounts paid from the permanent endowment fund. Establish the percentage of each county's and municipality's payment in November, 2002, to be made from the permanent endowment fund as follows:

(available endowment funds, as determined by DOA) ÷ \$826,068,930

g. Reduce individual appropriations in 2002-03 as follows to reflect the estimated impact of the use of \$594,000,000 in permanent endowment funds in that year:

Small municipalities shared revenue	-\$6,790,500
Shared revenue account	-574,391,600
County mandate relief	<u>-12,817,900</u>
Total	-\$594,000,000

*recognize  
orion's position  
on decommissioned plant*

~~Assembly: Modify the Joint Finance provisions related to reducing payments under shared revenue and the three related programs as follows: (a) increase the minimum guarantee for municipalities from 35% of the 2002 payment amount to 69.58% of the 2002 payment amount; and (b) specify that, notwithstanding the minimum guarantee, no county or municipality could receive a payment in 2003 that exceeds \$340 multiplied by the county's or municipality's estimated population for 2002. Modify the Joint Finance provision with respect to utility aid to provide a payment on production plants that were previously exempt from general property taxes because the company was subject to state utility taxes. Extend payments for decommissioned plants to municipalities and counties. Set each municipality's and county's payment equal to a percentage of the aid that was paid for the plant in the last year the plant was exempt from general property taxes less the amount of property taxes paid on the plant for municipal or county purposes in the current year. Set the percentages at 100% in the first year the plant is taxable, 80% in the second year the plant is taxable, 60% in the third year the plant is taxable, 40% in the fourth year the plant is taxable and 20% in the fifth year the plant is taxable. Eliminate the payments for a decommissioned plant in the sixth year the plant is taxable. Provide that these changes regarding aid on decommissioned plants first apply to payments in 2004.~~

~~Senate: Maintain current law with regard to the funding levels and distribution formulas, including the distribution formula for public utility aid. Delete provisions adopted by the Joint Finance Committee regarding payment structure that would create an appropriation, estimated at \$594,000,000, from the permanent endowment fund to pay a portion of the November, 2002, distribution under the small municipalities shared revenue, shared revenue and county mandate relief programs and would reduce GPR funding for the small municipalities shared revenue, shared revenue and county mandate relief appropriations by an estimated \$594,000,000. Instead, provide for a \$594,000,000 transfer from the permanent endowment fund to the general fund in 2002-03.~~

~~The following table shows the total calendar year distributions for shared revenue and the three related programs under current law and each of the stages of the budget process.~~

Assembly modified to do the following: (a) delete all changes to 2003 shared revenue and related aid payments; (b) delay the conversion to a new aid structure and appropriations from 2003 to 2004 and establish a funding level for 2004 and thereafter at \$989.7 million; (c) specify that the portion of the total distribution to be paid from the new county and municipal shared revenue appropriation would be \$961.7 million, but do not specify a distribution formula for this amount; and (d) delete the proposed indexing of the funding level for 2004 and thereafter.

Establish a program to make consolidation incentive payments to counties and municipalities that agree to consolidate county and/or municipal services. Specify that county and/or municipal governments that are planning to consolidate services must submit a copy of the consolidation agreement to the Department of Revenue by September 1 of the year preceding the consolidation of services in order to be eligible for a payment. Require the agreement to include an estimate of the savings to each affected government from the proposed consolidation. Specify that DOR must review and make a determination on whether a consolidation incentive payment will be made by September 15 and include the approved payments in the September 15 statement of estimated shared revenue payments. Establish the payment amount at 100% of the estimated savings to each county and/or municipality, as reviewed and approved by DOR. Specify that payments for each eligible consolidation of services may only be made for the first year of the consolidation. Specify that if the total amount of approved payments exceeds \$40 million, the payments must be prorated so that the total distribution is \$40 million. For 2003, require DOR to prorate county and municipal shared revenue payments in order to reduce the amounts distributed by an amount equal to the consolidation incentive payments for that year. For 2004 and thereafter, require DOR to prorate all other payments from the county and municipal shared revenue appropriation by an amount equal to the consolidation incentive payments for the year of the payments. Provide that the consolidation incentive payments and the associated proration reductions for 2003 would be applied after the minimum guarantee and maximum growth adjustments. Make the consolidation aid payments using the shared revenue payment schedule and make them from the shared revenue account in 2003 and from the county and municipal shared revenue appropriation in 2004 and thereafter.

*only applies to the counties*

*prorate on the basis of total payments  
(to accommodate the \$40m reduction)*

*prorate downward to  
accommodate the \$40 million*



State of Wisconsin  
2001 - 2002 LEGISLATURE

January 2002 Special Session

LRBb3084/3

JK:.....

Jld

LFB:.....Olin - Shared Revenue and consolidation payments

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

SENATE AMENDMENT,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

6-27

D-N

SDON

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 20, line 6: on lines 6, 10, 16 and 18, delete "2003" and substitute

3 "2004".  
4 # Page 20, line 18: delete "2003" and substitute "2004".

5 2. Page 20, line 15: delete "79.04, and 79.06" and substitute "79.04 and 79.06"  
and, for distributions in 2003, 79.036".

6 3. Page 20, line 19: delete "s. 79.035" and substitute "ss. 79.035 and 79.036".

7 4. Page 20, line 22: after "(4)," insert "(4m),".

8 5. Page 21, line 3: delete "2003" and substitute "2004".

9 6. Page 140, line 1: delete "; and \$58,145,700 in 2003" and substitute "; and

10 \$58,145,700 in 2003".

1 7. Page 140, line 6: delete lines 6 and 7 and substitute <sup>g</sup>“\$961,709,900 in 2004  
2 and in each year thereafter.” ✓

3 8. Page 140, line 12: after “(4),” insert “(4m).” ✓

4 9. Page 140, line 17: on lines 17, 20 <sup>g</sup>and 25, after “79.035,” insert “79.036.” ✓

5 10. Page 141, line 9: on lines 9 and 13, delete “2002” and substitute “2003.” ✓

6 11. Page 141, line 24: delete <sup>lines 24 and 25</sup> ~~that line~~ and substitute <sup>g</sup>“20.855 (4) (rb) in 2002

7 is \$11,110,000 in 2002; and ~~\$11,221,100 in 2003~~ and in each year <sup>thereafter</sup> and the total

8 amount to be distributed under this subsection from s. 20.835 (1) (b) in 2003 is

9 \$11,221,100”.

plain period

10 12. Page 142, line 14: delete lines 14 to 21 and substitute <sup>g</sup>“counties. In 2003

11 ~~and subsequent years~~, the total amounts to be distributed under ss. 79.03, 79.036,

12 79.04, and 79.06 from s. 20.835 (1) (d) are \$776,783,700 to municipalities and

13 \$172,378,300 to counties.” ✓

14 13. Page 142, line 23: delete “2003” and substitute “2004.” ✓

15 14. Page 143, line 1: delete the material beginning with that line and ending

16 on page 144, line 12, and substitute:

17 “**79.035 County and municipal aid.** In 2004 and subsequent years, each

18 county and municipality shall receive a payment from the county and municipal aid

19 account in an amount determined by the department of revenue.” ✓

20 → **SECTION 244f. CR; 79.036**

21 **79.036 Consolidation incentive payment.** (1) (a) In 2003 and subsequent

22 years, counties and municipalities that agree to consolidate county or municipal

23 services may receive payments under sub. (2), if such counties and municipalities

submit a copy of the consolidation agreement to the department of revenue <sup>no later</sup>



1 than September 1 of the year preceding the effective date of the consolidation and the  
2 department approves the payment.

3 (b) A consolidation agreement submitted under par. (a) shall include an  
4 estimate of the savings to each county or municipality that is subject to the  
5 agreement that will result from the consolidation of services.

6 (c) No later than September 15 of each year, the department of revenue shall  
7 review any agreement submitted under par. (a) and determine whether each county  
8 or municipality that is subject to the agreement will receive a payment under  
9 (2).

10 (2) (a) Subject to review and approval under sub. (1) (c) and the limitations  
11 provided under this subsection, each county and municipality that is eligible for a  
12 payment under this section shall receive a payment in the first year of the  
13 consolidation specified in the agreement submitted under sub. (1) (a) that is equal  
14 to the estimated savings to each such county or municipality that results from the  
15 consolidation.

16 (b) The total amount of all payments under par. (a) distributed in each year may  
17 not exceed \$40,000,000. If in any year the department of revenue calculates that the  
18 total amount of all payments under par. (a) exceeds \$40,000,000, each county and  
19 municipality that is eligible to receive a payment under par. (a) shall receive a  
20 payment that is reduced in proportion to the county's or municipality's share of the  
21 total payments under par. (a) so that the total amount of all such payments is no more  
22 than \$40,000,000.

23 (3) (a) In 2003, payments under sub. (2) shall be distributed from the shared  
24 revenue account. In 2003, the payments under ss. 79.03 and 79.04 to be distributed  
25 to each county and municipality shall be reduced in proportion to the county's or

1 municipality's share of all payments under ss. 79.03 and 79.04 so that the total  
2 amount of all payments under ss. 79.03 and 79.04 is reduced by the total amount to  
3 be distributed under sub. (2) in 2003.

4 (b) In 2004 and subsequent years, payments under sub. (2) shall be distributed  
5 from the county and municipal aid account. Beginning with distributions in 2004,  
6 the payments under s. 79.035 to be distributed to each county and municipality shall  
7 be reduced in proportion to the county's or municipality's share of all payments under  
8 s. 79.035 in each year so that the total amount of all payments under s. 79.035 is  
9 reduced by the total amount to be distributed under sub. (2) in that year."

10 **15.** Page 144, line 15: delete "2002" and substitute "2003".

11 **16.** Page 145, line 1: delete "2002" and substitute "2003".

12 **17.** Page 146, line 24: after that line insert:

13 "SECTION 248d. 79.04 (4m) (a) of the statutes is created to read:

14 79.04 (4m) (a) Beginning with the distributions in 2004, if property that was  
15 exempt from the property tax under s. 70.112 (4) and that was used to generate power  
16 by a light, heat, or power company, except property under s. 66.0813, or by an electric  
17 cooperative, is decommissioned, the municipality shall be paid, from the public  
18 utility account, an amount calculated by subtracting an amount equal to the  
19 property taxes paid for that property during the current year to the municipality for  
20 its general operations from the following percentages of the payment that the  
21 municipality received under this section during the last year that the property was  
22 exempt from the property tax:

23 ~~1~~. In the first year that the property is taxable, 100%.

24 ~~2~~. In the 2nd year that the property is taxable, 80%.

1 ~~3~~ In the 3rd year that the property is taxable, 60%.

2 ~~4~~ In the 4th year that the property is taxable, 40%.

3 ~~5~~ In the 5th year that the property is taxable, 20%.

4 **SECTION 248e.** 79.04 (4m) (b) of the statutes is created to read:

5 79.04 (4m) (b) Beginning with the distributions in 2004, if property that was  
6 exempt from the property tax under s. 70.112 (4) and that was used to generate power  
7 by a light, heat, or power company, except property under s. 66.0813, or by an electric  
8 cooperative, is decommissioned, the county shall be paid, from the public utility  
9 account, an amount calculated by subtracting an amount equal to the property taxes  
10 paid for that property during the current year to the county for its general operations  
11 from the following percentages of the payment the county received under this section  
12 during the last year that the property was exempt from the property tax:

13 1. In the first year that the property is taxable, 100%.

14 2. In the 2nd year that the property is taxable, 80%.

15 3. In the 3rd year that the property is taxable, 60%.

16 4. In the 4th year that the property is taxable, 40%.

17 5. In the 5th year that the property is taxable, 20%.”

18 **18.** Page 153, line 4: on lines 4 and 10, delete “2002” and substitute “2003”.

19 **19.** Page 153, line 18: delete lines 18 and 19 and substitute:

20 **“SECTION 254bm.** 79.058 (3) (e) of the statutes, as created by 2001 Wisconsin  
21 Act 16, is amended to read:

22 79.058 (3) (e) In 2003 and subsequent years, \$21,181,100.”

History: 1993 a. 16, 437; 1999 a. 9; 2001 a. 16.

23 **20.** Page 153, line 21: delete “2003” and substitute “2004”.

24 **21.** Page 153, line 22: after that line insert:

1 "SECTION 256b. 79.06 (1) (b) of the statutes is amended to read:

2 79.06 (1) (b) If the payments to any municipality or county under s. 79.03,  
3 excluding payments under s. 79.03 (3c) and excluding payments and reductions  
4 under s. 79.036, in 1986 or any year thereafter are less than 95% of the combined  
5 payments to the municipality or county under this section and s. 79.03, excluding  
6 payments under s. 79.03 (3c), for the previous year, the municipality or county has  
7 an aids deficiency. The amount of the aids deficiency is the amount by which 95%  
8 of the combined payments to the municipality or county under this section and s.  
9 79.03, excluding payments under s. 79.03 (3c), in the previous year exceeds the  
10 payments to the municipality or county under s. 79.03, excluding payments under  
11 s. 79.03 (3c), in the current year.

12 History: 1971 c. 125, 215; 1973 c. 90; 1975 c. 39; 1977 c. 29; 1979 c. 34, 221; 1981 c. 20, 93; 1983 a. 27; 1985 a. 29; 1991 a. 39; 1993 a. 16; 1995 a. 27; 2001 a. 16.

12 SECTION 256d. 79.06 (2) (b) of the statutes is amended to read:

13 79.06 (2) (b) If the payments to a municipality or county, except any county in  
14 which there are no cities or villages, or any county created in the year 1846 or 1847,  
15 with a population in the year 1990 greater than 16,000 but less than 17,000, as  
16 determined by the 1990 federal decennial census, in any year exceed its combined  
17 payments under this section and s. 79.03, excluding payments under s. 79.03 (3c) and  
18 excluding payments and reductions under s. 79.036, in the previous year by more  
19 than the maximum allowable increase, the excess shall be withheld to fund  
20 minimum payments in that year under sub. (1) (c).

21 History: 1971 c. 125, 215; 1973 c. 90; 1975 c. 39; 1977 c. 29; 1979 c. 34, 221; 1981 c. 20, 93; 1983 a. 27; 1985 a. 29; 1991 a. 39; 1993 a. 16; 1995 a. 27; 2001 a. 16.

21 SECTION 256e. 79.06 (2) (c) of the statutes is amended to read:

22 79.06 (2) (c) In this subsection, "maximum allowable increase" in any year  
23 means a percentage such that the sum for all municipalities or counties respectively  
24 in that year of the excess of payments under ss. 79.02 and 79.03, excluding payments

as affected by 2001 Wisconsin Act 16,

1 under s. 79.03 (3c) and excluding payments and reductions under s. 79.036, over the  
2 payments as limited by the maximum allowable increase is equal to the sum of the  
3 aids deficiencies under sub. (1) in that year.”.

History. 1971 c. 125, 215, 1973 c. 90, 1975 c. 39, 1977 c. 29; 1979 c. 34, 221; 1981 c. 20, 93; 1983 a. 27; 1985 a. 29; 1991 a. 39; 1993 a. 16; 1995 a. 27; 2001 a. 16.

4 **22.** Page 153, line 24: delete “2003” and substitute “2004”.

5 (END)

D-note  
↓

DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBb3084/dn

JK:.....

June 28, 2002

1  
A  
JL

\* This drafter's note is meant to alert you to the possibility that s. 79.035, as created in this amendment, related to county and municipal aid payments may be challenged under ~~Article IV~~, section 1, of the Wisconsin Constitution as an unconstitutional delegation of legislative power to an administrative agency ("The legislative power shall be vested in a senate and assembly"). The state supreme court has held that the legislature may delegate its power to an administrative agency to fill in the "details" of a statute as long as the statute ~~specifies~~ <sup>specifies</sup> standards for the agency to follow. See, for example, *Milwaukee v. Sewerage Commission*, 268 Wis. 342 (1954) and *Gilbert v. Medical Examining Board*, 119 Wis.2d 168 (1984). Because s. 79.035 <sup>8</sup> provides no standards at all for the department of revenue to follow with regards to calculating and distributing county and municipal aid payments, a court may find that the statute is an unconstitutional delegation of legislative power.

Please note, however, that the state supreme court has also upheld a statute's delegation of legislative authority to an administrative agency even though the statute provided no standards because the statute had a clear purpose and was subject to certain procedural and judicial safeguards (review of administrative rulemaking and litigation). See *Chicago & Northwestern Ry. Co. v. Public Service Comm.*, 43 Wis.2d 570 (1969). Although procedural and judicial safeguards will exist with regards to implementing s. 79.035, it is at least debatable whether or not a "clear purpose" may be ascertained from the language of s. 79.035.

Please contact me if you have any questions.

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: joseph.kreye@legis.state.wi.us

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBb3084/1dn  
JK:jld:rs

June 28, 2002

This drafter's note is meant to alert you to the possibility that s. 79.035, as created in this amendment, related to county and municipal aid payments may be challenged under article IV, section 1, of the Wisconsin Constitution as an unconstitutional delegation of legislative power to an administrative agency ("The legislative power shall be vested in a senate and assembly"). The state supreme court has held that the legislature may delegate its power to an administrative agency to fill in the "details" of a statute as long as the statute specifies standards for the agency to follow. See, for example, *Milwaukee v. Sewerage Commission*, 268 Wis. 342 (1954) and *Gilbert v. Medical Examining Board*, 119 Wis.2d 168 (1984). Because s. 79.035 provides no standards at all for the department of revenue to follow with regards to calculating and distributing county and municipal aid payments, a court may find that the statute is an unconstitutional delegation of legislative power.

Please note, however, that the state supreme court has also upheld a statute's delegation of legislative authority to an administrative agency even though the statute provided no standards because the statute had a clear purpose and was subject to certain procedural and judicial safeguards (review of administrative rule making and litigation). See *Chicago & Northwestern Ry. Co. v. Public Service Comm.*, 43 Wis.2d 570 (1969). Although procedural and judicial safeguards will exist with regards to implementing s. 79.035, it is at least debatable whether or not a "clear purpose" may be ascertained from the language of s. 79.035.

Please contact me if you have any questions.

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: [joseph.kreye@legis.state.wi.us](mailto:joseph.kreye@legis.state.wi.us)

## Kreye, Joseph

---

**From:** Olin, Rick  
**Sent:** Friday, June 28, 2002 4:40 PM  
**To:** Kreye, Joseph  
**Subject:** LRBb 3084/1

Page 3, line 25, and Page 4, lines 2 and 3, the proration for the consolidation aid should occur after min/max (s. 79.06) and should not include smsr [79.03(3c)] therefore, I think the cross references should read "ss. 79.03(2) and (3), 79.04 and 79.06" do you agree?

Please review Section 251 of the JFC sub (page 153). I don't think your draft makes any changes to it. I think we need a date change from 2003 to 2004.

I'm not sure we need sec 256d amending s. 79.06(2)(b) [page 6, lines 13-22] although I'm not sure it does any harm. I think it may be unnecessary because it makes changes to the base payment (prior year). It will apply only in 2003, but there were no consol svcs aid payments in 2002. Therefore, it will refer only to a year in which the cross-referenced payments did not exist. I think the changes to the maximum calculations on page 7, lines 1-6, are the only ones needed.

Relative to your drafter's note, would you be more comfortable if s. 79.035 was modified to remove "in an amount determined by the department of revenue" (page 2, line 19)? We would be silent on how the money gets to each county/municipality, just as we were under the JFC sub.





State of Wisconsin  
2001 - 2002 LEGISLATURE

January 2002 Special Session

LRBb3084/1

JK:jld:rs

RMRE

2  
EF

LFB:.....Olin – Shared Revenue and consolidation payments

FOR 2001-03 BUDGET -- NOT READY FOR INTRODUCTION

**SENATE AMENDMENT,**

**TO SENATE SUBSTITUTE AMENDMENT 1,**

**TO ASSEMBLY BILL 1**

in 6-28  
500W

- 1 At the locations indicated, amend the substitute amendment as follows:
- 2 **1.** Page 20, line 6: on lines 6, 10 and 16, delete “2003” and substitute “2004”.
- 3 **2.** Page 20, line 15: after “79.04, and 79.06” insert “, and, for distributions in
- 4 2003, s. 79.036”.
- 5 **3.** Page 20, line 18: delete “2003” and substitute “2004”.
- 6 **4.** Page 20, line 19: delete “s. 79.035” and substitute “ss. 79.035 and 79.036”.
- 7 **5.** Page 20, line 22: after “(4),” insert “(4m),”.
- 8 **6.** Page 21, line 3: delete “2003” and substitute “2004”.
- 9 **7.** Page 140, line 1: delete “; and \$58,145,700 in 2003” and substitute “; and
- 10 \$58,145,700 in 2003”.

1           **8.** Page 140, line 6: delete lines 6 and 7 and substitute “\$961,709,900 in 2004  
2 and in each year thereafter.”.

3           **9.** Page 140, line 12: after “(4),” insert “(4m),”.

4           **10.** Page 140, line 17: on lines 17, 20 and 25, after “79.035,” insert “79.036,”.

5           **11.** Page 141, line 9: on lines 9 and 13, delete “2002” and substitute “2003”.

6           **12.** Page 141, line 24: delete lines 24 and 25 and substitute “20.855 (4) (rb) in  
7 2002 is \$11,110,000 in 2002; and \$11,221,100 in 2003 and in each year thereafter and  
8 the total amount to be distributed under this subsection from s. 20.835 (1) (b) in 2003  
9 is \$11,221,100.”.

10           **13.** Page 142, line 14: delete lines 14 to 21 and substitute “counties. In 2003  
11 and subsequent years, the total amounts to be distributed under ss. 79.03, 79.036,  
12 79.04, and 79.06 from s. 20.835 (1) (d) are \$776,783,700 to municipalities and  
13 \$172,378,300 to counties.”.

14           **14.** Page 142, line 23: delete “2003” and substitute “2004”.

15           **15.** Page 143, line 1: delete the material beginning with that line and ending  
16 on page 144, line 12, and substitute:

17           “**79.035 County and municipal aid.** In 2004 and subsequent years, each  
18 county and municipality shall receive a payment from the county and municipal aid  
19 account in an amount determined by the department of revenue.

20           **SECTION 244f.** 79.036 of the statutes is created to read:

21           **79.036 Consolidation incentive payment.** (1) (a) In 2003 and subsequent  
22 years, counties and municipalities that agree to consolidate county or municipal  
23 services may receive payments under sub. (2), if such counties and municipalities

1 submit a copy of the consolidation agreement to the department of revenue no later  
2 than September 1 of the year preceding the effective date of the consolidation and the  
3 department approves the payment.

4 (b) A consolidation agreement submitted under par. (a) shall include an  
5 estimate of the savings to each county or municipality that is subject to the  
6 agreement that will result from the consolidation of services.

7 (c) No later than September 15 of each year, the department of revenue shall  
8 review any agreement submitted under par. (a) and determine whether each county  
9 or municipality that is subject to the agreement will receive a payment under sub.  
10 (2).

11 (2) (a) Subject to review and approval under sub. (1) (c) and the limitations  
12 provided under this subsection, each county and municipality that is eligible for a  
13 payment under this section shall receive a payment in the first year of the  
14 consolidation specified in the agreement submitted under sub. (1) (a) that is equal  
15 to the estimated savings to each such county or municipality that results from the  
16 consolidation.

17 (b) The total amount of all payments under par. (a) distributed in each year may  
18 not exceed \$40,000,000. If in any year the department of revenue calculates that the  
19 total amount of all payments under par. (a) exceeds \$40,000,000, each county and  
20 municipality that is eligible to receive a payment under par. (a) shall receive a  
21 payment that is reduced in proportion to the county's or municipality's share of the  
22 total payments under par. (a) so that the total amount of all such payments is no more  
23 than \$40,000,000.

24 (3) (a) In 2003, payments under sub. (2) shall be distributed from the shared  
25 revenue account. In 2003, the payments under ss. 79.03 and 79.04 to be distributed

(2), (3), and 79.06

1 to each county and municipality shall be reduced in proportion to the county's or  
2 municipality's share of all payments under ss. 79.03<sup>(3)</sup> and 79.04<sup>(2)</sup>, and 79.06  
3 amount of all payments under ss. 79.03<sup>(2)</sup> and 79.04<sup>(3)</sup> is reduced by the total amount to  
4 be distributed under sub. (2) in 2003. <sup>(2)</sup> <sup>(3)</sup> 79.06

5 (b) In 2004 and subsequent years, payments under sub. (2) shall be distributed  
6 from the county and municipal aid account. Beginning with distributions in 2004,  
7 the payments under s. 79.035 to be distributed to each county and municipality shall  
8 be reduced in proportion to the county's or municipality's share of all payments under  
9 s. 79.035 in each year so that the total amount of all payments under s. 79.035 is  
10 reduced by the total amount to be distributed under sub. (2) in that year.”.

11 **16.** Page 144, line 15: delete “2002” and substitute “2003”.

12 **17.** Page 145, line 1: delete “2002” and substitute “2003”.

13 **18.** Page 146, line 24: after that line insert:

14 “**SECTION 248d.** 79.04 (4m) (a) of the statutes is created to read:

15 79.04 (4m) (a) Beginning with the distributions in 2004, if property that was  
16 exempt from the property tax under s. 70.112 (4) and that was used to generate power  
17 by a light, heat, or power company, except property under s. 66.0813, or by an electric  
18 cooperative, is decommissioned, the municipality shall be paid, from the public  
19 utility account, an amount calculated by subtracting an amount equal to the  
20 property taxes paid for that property during the current year to the municipality for  
21 its general operations from the following percentages of the payment that the  
22 municipality received under this section during the last year that the property was  
23 exempt from the property tax:

24 1. In the first year that the property is taxable, 100%.

- 1           2. In the 2nd year that the property is taxable, 80%.
- 2           3. In the 3rd year that the property is taxable, 60%.
- 3           4. In the 4th year that the property is taxable, 40%.
- 4           5. In the 5th year that the property is taxable, 20%.

5           **SECTION 248e.** 79.04 (4m) (b) of the statutes is created to read:

6           79.04 (4m) (b) Beginning with the distributions in 2004, if property that was  
7 exempt from the property tax under s. 70.112 (4) and that was used to generate power  
8 by a light, heat, or power company, except property under s. 66.0813, or by an electric  
9 cooperative, is decommissioned, the county shall be paid, from the public utility  
10 account, an amount calculated by subtracting an amount equal to the property taxes  
11 paid for that property during the current year to the county for its general operations  
12 from the following percentages of the payment the county received under this section  
13 during the last year that the property was exempt from the property tax:

- 14           1. In the first year that the property is taxable, 100%.
- 15           2. In the 2nd year that the property is taxable, 80%.
- 16           3. In the 3rd year that the property is taxable, 60%.
- 17           4. In the 4th year that the property is taxable, 40%.
- 18           5. In the 5th year that the property is taxable, 20%.”.

19           **19.** Page 153, line 4: on lines 4 and 10, delete “2002” and substitute “2003”.

20           **20.** Page 153, line 18: delete lines 18 and 19 and substitute:

21           “**SECTION 254bm.** 79.058 (3) (e) of the statutes, as created by 2001 Wisconsin  
22 Act 16, is amended to read:

23           79.058 (3) (e) In 2003 ~~and subsequent years~~, \$21,181,100.”.

24           **21.** Page 153, line 21: delete “2003” and substitute “2004”.

\* Page 153, line 7: delete “2003” and substitute “2004”.

1           **22.** Page 153, line 22: after that line insert:

2           “**SECTION 256b.** 79.06 (1) (b) of the statutes is amended to read:

3           79.06 (1) (b) If the payments to any municipality or county under s. 79.03,  
4           excluding payments under s. 79.03 (3c) and excluding payments and reductions  
5           under s. 79.036, in 1986 or any year thereafter are less than 95% of the combined  
6           payments to the municipality or county under this section and s. 79.03, excluding  
7           payments under s. 79.03 (3c), for the previous year, the municipality or county has  
8           an aids deficiency. The amount of the aids deficiency is the amount by which 95%  
9           of the combined payments to the municipality or county under this section and s.  
10          79.03, excluding payments under s. 79.03 (3c), in the previous year exceeds the  
11          payments to the municipality or county under s. 79.03, excluding payments under  
12          s. 79.03 (3c), in the current year.

13          ~~**SECTION 256d.** 79.06 (2) (b) of the statutes, as affected by 2001 Wisconsin Act  
14          16, is amended to read:~~

15          ~~79.06 (2) (b) If the payments to a municipality or county, except any county in  
16          which there are no cities or villages, or any county created in the year 1846 or 1847,  
17          with a population in the year 1990 greater than 16,000 but less than 17,000, as  
18          determined by the 1990 federal decennial census, in any year exceed its combined  
19          payments under this section and s. 79.03, excluding payments under s. 79.03 (3c) and  
20          excluding payments and reductions under s. 79.036, in the previous year by more  
21          than the maximum allowable increase, the excess shall be withheld to fund  
22          minimum payments in that year under sub. (1) (c).~~

23          **SECTION 256e.** 79.06 (2) (c) of the statutes is amended to read:

1           79.06 **(2)** (c) In this subsection, “maximum allowable increase” in any year  
2 means a percentage such that the sum for all municipalities or counties respectively  
3 in that year of the excess of payments under ss. 79.02 and 79.03, excluding payments  
4 under s. 79.03 (3c) and excluding payments and reductions under s. 79.036, over the  
5 payments as limited by the maximum allowable increase is equal to the sum of the  
6 aids deficiencies under sub. (1) in that year.”

7           **23.** Page 153, line 24: delete “2003” and substitute “2004”.

8                                   **(END)**

### Shared Revenues-Consolidating Incentive Payment

- ◆ Funding. Set aside \$50 million within the Shared Revenue Account as an incentive payment for consolidating services.
- ◆ Aid Amount. The consolidation incentive payment will be a 100% match of the estimated savings from consolidations.
- ◆ Eligibility. County and municipal governments planning to consolidate services must send a copy of the agreement with the estimated savings to the Department of Revenue by September 1<sup>st</sup> of the prior year. For example, the deadline for CY2003 incentive payments is September 1, 2002.
- ◆ Term of Aid Payments. Consolidation incentive payments are paid for one year only, the first year of consolidation.
- ◆ Excess Claims. If total claims for incentive payments exceed \$50 million, the amount paid will be prorated.
- ◆ Insufficient Claims. If total claims for incentive payments are less than \$50 million, the unused balance will be added to the aidable revenue portion of shared revenues.
- ◆ Minimum/Maximum Adjustments. Consolidation incentive payments are not subject to the minimum/maximum adjustments in the year received or in subsequent years.



## Kreye, Joseph

---

**From:** Olin, Rick  
**Sent:** Monday, July 01, 2002 3:50 PM  
**To:** Kreye, Joseph  
**Subject:** LRBb3084/2

on page 3, lines 11 - 16

Can we clarify that payments are made only in year 1 of the agreement?

I think some type of prohibition of subsequent years' payments might be helpful.

What you've drafted is fine, but I'm not sure it goes as far as what DOA initially requested.

Rick



State of Wisconsin  
2001 - 2002 LEGISLATURE

January 2002 Special Session

LRBb3084/2  
JK:jld&kjf:cmh

*B*  
*KG*  
*RM msk*

LFB:.....Olin – Shared Revenue and consolidation payments

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

*m 7-1-02*  
*Jones. a.m.*  
*JOHN*

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 20, line 6: on lines 6, 10 and 16, delete “2003” and substitute “2004”.

3 **2.** Page 20, line 15: after “79.04, and 79.06” insert “, and, for distributions in  
4 2003, s. 79.036”.

5 **3.** Page 20, line 18: delete “2003” and substitute “2004”.

6 **4.** Page 20, line 19: delete “s. 79.035” and substitute “ss. 79.035 and 79.036”.

7 **5.** Page 20, line 22: after “(4),” insert “(4m),”.

8 **6.** Page 21, line 3: delete “2003” and substitute “2004”.

9 **7.** Page 140, line 1: delete “; and \$58,145,700 in 2003” and substitute “; and

10 \$58,145,700 in 2003”.

1           **8.** Page 140, line 6: delete lines 6 and 7 and substitute “\$961,709,900 in 2004  
2 and in each year thereafter.”.

3           **9.** Page 140, line 12: after “(4),” insert “(4m),”.

4           **10.** Page 140, line 17: on lines 17, 20 and 25, after “79.035,” insert “79.036,”.

5           **11.** Page 141, line 9: on lines 9 and 13, delete “2002” and substitute “2003”.

6           **12.** Page 141, line 24: delete lines 24 and 25 and substitute “20.855 (4) (rb) in  
7 2002 is \$11,110,000 in 2002; and \$11,221,100 in 2003 and in each year thereafter and  
8 the total amount to be distributed under this subsection from s. 20.835 (1) (b) in 2003  
9 is \$11,221,100.”.

10           **13.** Page 142, line 14: delete lines 14 to 21 and substitute “counties. In 2003  
11 and subsequent years, the total amounts to be distributed under ss. 79.03, 79.036,  
12 79.04, and 79.06 from s. 20.835 (1) (d) are \$776,783,700 to municipalities and  
13 \$172,378,300 to counties.”.

14           **14.** Page 142, line 23: delete “2003” and substitute “2004”.

15           **15.** Page 143, line 1: delete the material beginning with that line and ending  
16 on page 144, line 12, and substitute:

17           **“79.035 County and municipal aid.** In 2004 and subsequent years, each  
18 county and municipality shall receive a payment from the county and municipal aid  
19 account in an amount determined by the department of revenue.

20           **SECTION 244f.** 79.036 of the statutes is created to read:

21           **79.036 Consolidation incentive payment.** (1) (a) In 2003 and subsequent  
22 years, counties and municipalities that agree to consolidate county or municipal  
23 services may receive payments under sub. (2), if such counties and municipalities

1 submit a copy of the consolidation agreement to the department of revenue no later  
2 than September 1 of the year preceding the effective date of the consolidation and the  
3 department approves the payment.

4 (b) A consolidation agreement submitted under par. (a) shall include an  
5 estimate of the savings to each county or municipality that is subject to the  
6 agreement that will result from the consolidation of services.

7 (c) No later than September 15 of each year, the department of revenue shall  
8 review any agreement submitted under par. (a) and determine whether each county  
9 or municipality that is subject to the agreement will receive a payment under sub.  
10 (2).

11 (2) (a) Subject to review and approval under sub. (1) (c) and the limitations  
12 provided under this subsection, each county and municipality that is eligible for a  
13 payment under this section shall receive a payment in the first year of the  
14 consolidation specified in the agreement submitted under sub. (1) (a) that is equal  
15 to the estimated savings to each such county or municipality that result from the  
16 consolidation. *one*  
*No county or municipality may receive more than one payment under this section related to the same consolidation agreement.*

17 (b) The total amount of all payments under par. (a) distributed in each year may  
18 not exceed \$40,000,000. If in any year the department of revenue calculates that the  
19 total amount of all payments under par. (a) exceeds \$40,000,000, each county and  
20 municipality that is eligible to receive a payment under par. (a) shall receive a  
21 payment that is reduced in proportion to the county's or municipality's share of the  
22 total payments under par. (a) so that the total amount of all such payments is no more  
23 than \$40,000,000.

24 (3) (a) In 2003, payments under sub. (2) shall be distributed from the shared  
25 revenue account. In 2003, the payments under ss. 79.03 (2) and (3), 79.04, and 79.06

1 to be distributed to each county and municipality shall be reduced in proportion to  
2 the county's or municipality's share of all payments under ss. 79.03 (2) and (3), 79.04,  
3 and 79.06 so that the total amount of all payments under ss. 79.03 (2) and (3), 79.04,  
4 and 79.06 is reduced by the total amount to be distributed under sub. (2) in 2003.

5 (b) In 2004 and subsequent years, payments under sub. (2) shall be distributed  
6 from the county and municipal aid account. Beginning with distributions in 2004,  
7 the payments under s. 79.035 to be distributed to each county and municipality shall  
8 be reduced in proportion to the county's or municipality's share of all payments under  
9 s. 79.035 in each year so that the total amount of all payments under s. 79.035 is  
10 reduced by the total amount to be distributed under sub. (2) in that year.”.

11 **16.** Page 144, line 15: delete “2002” and substitute “2003”.

12 **17.** Page 145, line 1: delete “2002” and substitute “2003”.

13 **18.** Page 146, line 24: after that line insert:

14 “**SECTION 248d.** 79.04 (4m) (a) of the statutes is created to read:

15 79.04 (4m) (a) Beginning with the distributions in 2004, if property that was  
16 exempt from the property tax under s. 70.112 (4) and that was used to generate power  
17 by a light, heat, or power company, except property under s. 66.0813, or by an electric  
18 cooperative, is decommissioned, the municipality shall be paid, from the public  
19 utility account, an amount calculated by subtracting an amount equal to the  
20 property taxes paid for that property during the current year to the municipality for  
21 its general operations from the following percentages of the payment that the  
22 municipality received under this section during the last year that the property was  
23 exempt from the property tax:

24 1. In the first year that the property is taxable, 100%.

1           2. In the 2nd year that the property is taxable, 80%.

2           3. In the 3rd year that the property is taxable, 60%.

3           4. In the 4th year that the property is taxable, 40%.

4           5. In the 5th year that the property is taxable, 20%.

5           **SECTION 248e.** 79.04 (4m) (b) of the statutes is created to read:

6           79.04 (4m) (b) Beginning with the distributions in 2004, if property that was  
7 exempt from the property tax under s. 70.112 (4) and that was used to generate power  
8 by a light, heat, or power company, except property under s. 66.0813, or by an electric  
9 cooperative, is decommissioned, the county shall be paid, from the public utility  
10 account, an amount calculated by subtracting an amount equal to the property taxes  
11 paid for that property during the current year to the county for its general operations  
12 from the following percentages of the payment the county received under this section  
13 during the last year that the property was exempt from the property tax:

14           1. In the first year that the property is taxable, 100%.

15           2. In the 2nd year that the property is taxable, 80%.

16           3. In the 3rd year that the property is taxable, 60%.

17           4. In the 4th year that the property is taxable, 40%.

18           5. In the 5th year that the property is taxable, 20%.”.

19           **19.** Page 153, line 4: on lines 4 and 10, delete “2002” and substitute “2003”.

20           **20.** Page 153, line 7: delete “2003” and substitute “2004”.

21           **21.** Page 153, line 18: delete lines 18 and 19 and substitute:

22           “**SECTION 254bm.** 79.058 (3) (e) of the statutes, as created by 2001 Wisconsin  
23 Act 16, is amended to read:

24           79.058 (3) (e) In 2003 and subsequent years, \$21,181,100.”.





State of Wisconsin  
2001 - 2002 LEGISLATURE

LRBb3084/3  
JK:jld&kjf&kg:rs

January 2002 Special Session

Fix request sheet

LFB:.....Olin - Shared Revenue and consolidation payments

FOR 2001-03 BUDGET -- NOT READY FOR INTRODUCTION

SENATE AMENDMENT,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

MM 7-2-02  
Today  
~~500#~~

\* page 20, line 20: delete lines 20 to 22. ✓

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 20, line 6: on lines 6, 10 and 16, delete "2003" and substitute "2004".

3 2. Page 20, line 15: after "79.04, and 79.06" insert "and, for distributions in  
4 2003, s. 79.036".

5 3. Page 20, line 18: delete "2003" and substitute "2004".

6 4. Page 20, line 19: delete "s. 79.035" and substitute "ss. 79.035 and 79.036".

7 5. Page 20, line 22: after "(4)," insert "(4m)". ✓

8 6. Page 21, line 3: delete "2003" and substitute "2004".

9 7. Page 140, line 1: delete "; and \$58,145,700 in 2003" and substitute "; and

10 \$58,145,700 in 2003".



#, page 140, line 8; delete lines 8 to 12.

99

1 8. Page 140, line 6: delete lines 6 and 7 and substitute "\$901,709,900 in 2004  
2 and in each year thereafter."

3 ~~9. Page 140, line 12; after "(4)," insert "(4m);~~

4 10. Page 140, line 17: on lines 17, 20 and 25, after "79.035," insert "79.036."

5 11. Page 141, line 9: on lines 9 and 13, delete "2002" and substitute "2003".

6 12. Page 141, line 24: delete lines 24 and 25 and substitute "20.855 (4) (rb) in  
7 2002 is \$11,110,000 in 2002; and \$11,221,100 in 2003 and in each year thereafter and  
8 the total amount to be distributed under this subsection from s. 20.835 (1) (b) in 2003  
9 is \$11,221,100."

10 13. Page 142, line 14: delete lines 14 to 21 and substitute "counties. In 2003  
11 and subsequent years, the total amounts to be distributed under ss. 79.03, 79.036,  
12 79.04, and 79.06 from s. 20.835 (1) (d) are \$776,783,700 to municipalities and  
13 \$172,378,300 to counties."

14 14. Page 142, line 23: delete "2003" and substitute "2004".

15 15. Page 143, line 1: delete the material beginning with that line and ending  
16 ~~on~~ <sup>with</sup> page 144, line 12, and substitute:

17 "**79.035 County and municipal aid.** In 2004 and subsequent years, each  
18 county and municipality shall receive a payment from the county and municipal aid  
19 account in an amount determined by the department of revenue.

20 **SECTION 244f.** 79.036 of the statutes is created to read:

21 **79.036 Consolidation incentive payment.** (1) (a) In ~~2003~~ <sup>2004</sup> and subsequent  
22 years, counties and municipalities that agree to consolidate county or municipal  
23 services may receive payments under sub. (2), if such counties and municipalities

INSERT 2-16

1 submit a copy of the consolidation agreement to the department of revenue no later  
2 than September 1 of the year preceding the effective date of the consolidation and the  
3 department approves the payment.

4 (b) A consolidation agreement submitted under par. (a) shall include an  
5 estimate of the savings to each county or municipality that is subject to the  
6 agreement that will result from the consolidation of services.

7 (c) No later than September 15 of each year, the department of revenue shall  
8 review any agreement submitted under par. (a) and determine whether each county  
9 or municipality that is subject to the agreement will receive a payment under sub.

10 (2).

11 (2) (a) Subject to review and approval under sub. (1) (c) and the limitations  
12 provided under this subsection, each county and municipality that is eligible for a  
13 payment under this section shall receive one payment in the first year of the  
14 consolidation specified in the agreement submitted under sub. (1) (a) that is equal  
15 to <sup>75%</sup> the estimated savings to each such county or municipality that result from the  
16 consolidation. No county or municipality may receive more than one payment under  
17 this section related to the same consolidation agreement.

18 (b) The total amount of all payments under par. (a) distributed in each year may  
19 not exceed \$40<sup>5</sup>,000,000. If in any year the department of revenue calculates that the  
20 total amount of all payments under par. (a) exceeds \$40<sup>5</sup>,000,000, each county and  
21 municipality that is eligible to receive a payment under par. (a) shall receive a  
22 payment that is reduced in proportion to the county's or municipality's share of the  
23 total payments under par. (a) so that the total amount of all such payments is no more  
24 than \$40<sup>5</sup>,000,000.

(d) The department of revenue shall consider a consolidation ordinance to be an agreement to consolidate municipal services for purposes of this subsection.

under 5.66.0229 ✓

keep  
③

1 ~~(3) In 2003, payments under sub. (2) shall be distributed from the shared~~  
2 ~~revenue account. In 2003, the payments under ss. 79.03 (2) and (3), 79.04, and 79.06~~  
3 ~~to be distributed to each county and municipality shall be reduced in proportion to~~  
4 ~~the county's or municipality's share of all payments under ss. 79.03 (2) and (3), 79.04,~~  
5 ~~and 79.06 so that the total amount of all payments under ss. 79.03 (2) and (3), 79.04,~~  
6 ~~and 79.06 is reduced by the total amount to be distributed under sub. (2) in 2003.~~

7 ~~(b) In 2004 and subsequent years, payments under sub. (2) shall be distributed~~  
8 ~~from the county and municipal aid account. Beginning with distributions in 2004,~~  
9 ~~the payments under s. 79.035 to be distributed to each county and municipality shall~~  
10 ~~be reduced in proportion to the county's or municipality's share of all payments under~~  
11 ~~s. 79.035 in each year so that the total amount of all payments under s. 79.035 is~~  
12 ~~reduced by the total amount to be distributed under sub. (2) in that year."~~

13 **16.** Page 144, line 15: delete "2002" and substitute "2003".

14 **17.** Page 145, line 1: delete "2002" and substitute "2003".

15 **18.** Page 146, line 24: after that line insert:

16 **"SECTION 218d.** 79.04 (4m) (a) of the statutes is created to read:

17 79.04 (4m) (a) Beginning with the distributions in 2004, if property that was  
18 exempt from the property tax under s. 70.112 (4) and that was used to generate power  
19 by a light, heat, or power company, except property under s. 66.0813, or by an electric  
20 cooperative, is decommissioned, the municipality shall be paid, from the public  
21 utility account, an amount calculated by subtracting an amount equal to the  
22 property taxes paid for that property during the current year to the municipality for  
23 its general operations from the following percentages of the payment that the

INSERT 4-14 ✓

1 ~~municipality received under this section during the last year that the property was~~  
2 ~~exempt from the property tax:~~

- 3 1. ~~In the first year that the property is taxable, 100%.~~
- 4 2. ~~In the 2nd year that the property is taxable, 80%.~~
- 5 3. ~~In the 3rd year that the property is taxable, 60%.~~
- 6 4. ~~In the 4th year that the property is taxable, 40%.~~
- 7 5. ~~In the 5th year that the property is taxable, 20%.~~

8 **SECTION 248e.** 79.04 (4m) (b) of the statutes is created to read:

9 79.04 (4m) (b) Beginning with the distributions in 2004, if property that was  
10 exempt from the property tax under s. 70.112 (4) and that was used to generate power  
11 by a light, heat, or power company, except property under s. 66.0813, or by an electric  
12 cooperative, is decommissioned, the county shall be paid, from the public utility  
13 account, an amount calculated by subtracting an amount equal to the property taxes  
14 paid for that property during the current year to the county for its general operations  
15 from the following percentages of the payment the county received under this section  
16 during the last year that the property was exempt from the property tax:

- 17 1. ~~In the first year that the property is taxable, 100%.~~
- 18 2. ~~In the 2nd year that the property is taxable, 80%.~~
- 19 3. ~~In the 3rd year that the property is taxable, 60%.~~
- 20 4. ~~In the 4th year that the property is taxable, 40%.~~
- 21 5. ~~In the 5th year that the property is taxable, 20%.~~

22 **19.** Page 153, line 4: on lines 4 and 10, delete "2002" and substitute "2003".

23 **20.** Page 153, line 7: delete "2003" and substitute "2004".

24 **21.** Page 153, line 18: delete lines 18 and 19 and substitute:

*\* Page 147, line 1: delete "2003" and substitute "2004". ✓*  
*\* Page 147, line 3: delete the material beginning and that line and ending with ✓*  
*with page 153, line 2. ✓*

1 "SECTION 254bm. 79.058 (3) (e) of the statutes, as created by 2001 Wisconsin  
2 Act 16, is amended to read:

3 79.058 (3) (e) In 2003 and subsequent years, \$21,181,100."

4 22. Page 153, line 21: delete "2003" and substitute "2004". ✓

5 23. Page 153, line 22: after that line insert:

*Ending with the  
distributions in  
2003, if*

6 "SECTION 256b. 79.06 (1) (b) of the statutes is amended to read:

7 79.06 (1) (b) ~~If~~ the payments to any municipality or county under s. 79.03,

8 excluding payments under s. 79.03 (3c) and excluding payments and reductions

9 under s. 79.036, in 1986 or any year thereafter are less than 95% of the combined

10 payments to the municipality or county under this section and s. 79.03, excluding

11 payments under s. 79.03 (3c), for the previous year, the municipality or county has

12 an aids deficiency. The amount of the aids deficiency is the amount by which 95%

13 of the combined payments to the municipality or county under this section and s.

14 79.03, excluding payments under s. 79.03 (3c), in the previous year exceeds the

15 payments to the municipality or county under s. 79.03, excluding payments under

16 s. 79.03 (3c), in the current year.

17 ~~SECTION 256c. 79.06 (2) (c) of the statutes is amended to read:~~

18 79.06 (2) (c) In this subsection, "maximum allowable increase" in any year

19 means a percentage such that the sum for all municipalities or counties respectively

20 in that year of the excess of payments under ss. 79.02 and 79.03, excluding payments

21 under s. 79.03 (3c) and excluding payments and reductions under s. 79.036, over the

22 payments as limited by the maximum allowable increase is equal to the sum of the

23 ~~aids deficiencies under sub. (1) in that year.~~

INSERT 6-16 ✓

1 ~~2~~ **24.** Page 153, line 24: delete "2003" and substitute "2004".

2

(END)

\* page 437, line 10: delete lines 10 to 12.

2001-2002 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBb3084/3ins  
JK:jld&kjf&kg:rs

Insert 2 -16

79.035 ← (3)

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County and municipal aid. (1) Subject to reductions under s. 79.036 (3),  
in 2004 and subsequent years, each county and municipality shall receive a payment  
from the county and municipal aid account in an amount determined under sub. (2).

(2) (a) 1. For the distribution in 2004, each county and municipality will receive  
a payment that is equal to the amount of the payments the county or municipality  
received in 2003 under ss. 79.03, 79.04, 79.05, 79.058, and 79.06, less the amount of  
a reduction under subd. 2.

2. The department of revenue shall reduce the amount of the payments to be  
distributed to each county and municipality, as determined under subd. 1., by  
subtracting from such payments an amount based on the county's or municipality's  
population, as determined by the department, so that the total amount of all  
payments to counties and municipalities under this section in 2004 equals  
\$999,709,900. Notwithstanding s. 79.005 (2), to calculate reductions under this  
subdivision, the department shall estimate the population by using the 2000 federal  
decennial census.

(b) For the distribution in 2005 and subsequent years, each county and  
municipality will receive a payment under this section that is equal to the amount  
of the payment the county or municipality received under this section in 2004.

End of Insert 2 -16

Insert 4 - 14

19  
20

1. Page 146, line 8: on lines 8 and 16, delete "except for the distribution" and  
substitute "ending with the distributions".



1           **2.** Page 146, line 9: delete "~~sub. (1)~~ subs. (1), (6), and (7)" and substitute "sub.  
2 (1)".

3           **3.** Page 146, line 10: on lines 10 and 18, delete "from the public utility account".

4           **4.** Page 146, line 17: delete "~~sub. (2)~~ subs. (2), (6), and (7)" and substitute "sub.  
5 (2)".

**End of Insert 4 - 14**

**Insert 6 - 16**

6           **SECTION 256e.** 79.06 (2) (b) of the statutes, as affected by 2001 Wisconsin Act  
7 16, is amended to read:

8           79.06 (2) (b) If Ending with the distributions in 2003, if the payments to a  
9 municipality or county, except any county in which there are no cities or villages, or  
10 any county created in the year 1846 or 1847, with a population in the year 1990  
11 greater than 16,000 but less than 17,000, as determined by the 1990 federal  
12 decennial census, in any year exceed its combined payments under this section and  
13 s. 79.03, excluding payments under s. 79.03 (3c), in the previous year by more than  
14 the maximum allowable increase, the excess shall be withheld to fund minimum  
15 payments in that year under sub. (1) (c)."

**History:** 1971 c. 123, 213; 1973 c. 90; 1975 c. 39; 1977 c. 29; 1979 c. 34, 221; 1981 c. 20, 93; 1983 a. 27; 1985 a. 29; 1991 a. 39; 1993 a. 16; 1995 a. 27; 2001 a. 16.

**End of Insert 6 - 16**





State of Wisconsin  
2001 - 2002 LEGISLATURE

January 2002 Special Session

LRBb3084/A  
JK:jld&kjf&kg:rs

RM not R

LFB:.....Olin - Shared revenue and consolidation payments

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO SENATE SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

in 7-2-02  
NOW

#. Page 139, line 17: delete lines 17 to 19. ✓

- 1 At the locations indicated, amend the substitute amendment as follows:
- 2 **1.** Page 20, line 6: on lines 6, 10 and 16, delete "2003" and substitute "2004".
- 3 **2.** Page 20, line 18: delete "2003" and substitute "2004".
- 4 **3.** Page 20, line 19: delete "s. 79.035" and substitute "ss. 79.035 and 79.036".
- 5 **4.** Page 20, line 20: delete lines 20 to 22.
- 6 **5.** Page 21, line 3: delete "2003" and substitute "2004".
- 7 **6.** Page 140, line 1: delete "~~and \$58,145,700 in 2003~~" and substitute "; and
- 8 \$58,145,700 in 2003".
- 9 **7.** Page 140, line 6: delete lines 6 and 7 and substitute "\$999,709,900 in 2004
- 10 and in each year thereafter."

1           **8.** Page 140, line 8: delete lines 8 to 12.

2           **9.** Page 140, line 17: on lines 17, 20 and 25, after "79.035," insert "79.036."

3           **10.** Page 141, line 9: on lines 9 and 13, delete "2002" and substitute "2003".

4           **11.** Page 141, line 24: delete lines 24 and 25 and substitute "20.855 (4) (rb) in  
5 2002 is \$11,110,000 in 2002; and \$11,221,100 in 2003 and in each year thereafter and  
6 the total amount to be distributed under this subsection from s. 20.835 (1) (b) in 2003  
7 is \$11,221,100.".

8           **12.** Page 142, line 14: delete lines 14 to 21 and substitute "counties. In 2003  
9 ~~and subsequent years~~, the total amounts to be distributed under ss. 79.03, 79.04, and  
10 79.06 from s. 20.835 (1) (d) are \$776,783,700 to municipalities and \$172,378,300 to  
11 counties."

12           **13.** Page 142, line 23: delete "2003" and substitute "2004".

13           **14.** Page 143, line 1: delete the material beginning with that line and ending  
14 with page 144, line 12, and substitute:

15           "**79.035 County and municipal aid.** (1) Subject to reductions under s.  
16 79.036 (3), in 2004 and subsequent years, each county and municipality shall receive  
17 a payment from the county and municipal aid account in an amount determined  
18 under sub. (2).

19           (2) (a) 1. For the distribution in 2004, each county and municipality will receive  
20 a payment that is equal to the amount of the payments the county or municipality  
21 received in 2003 under ss. 79.03, 79.04, 79.05, 79.058, and 79.06, less the amount of  
22 a reduction under subd. 2.

*Ahe* ✓

*the reduction to all such*

1           2. The department of revenue shall reduce the amount of the payments to be  
2 distributed to each county and municipality, as determined under subd. 1., by  
3 subtracting from such payments an amount based on the county's or municipality's  
4 population, as determined by the department, so that the total amount of ~~all~~  
5 payments ~~to counties and municipalities under this section~~ in 2004 ~~equals~~

6 ~~\$400,708,900.~~ Notwithstanding s. 79.005 (2), to calculate reductions under this  
7 subdivision, the department shall estimate the population by using the 2000 federal  
8 decennial census. *prior to the reductions under s. 79.036* ✓

9           (b) For the distribution in 2005 and subsequent years, each county and  
10 municipality ~~will~~ <sup>shall</sup> receive a payment under this section that is equal to the amount  
11 of the payment <sup>determined for</sup> the county or municipality ~~received~~ under ~~this section~~ in 2004. ✓

12           **SECTION 244f.** 79.036 of the statutes is created to read: *par. (a)* ✓

13           **79.036 Consolidation incentive payment.** (1) (a) In 2004 and subsequent  
14 years, counties and municipalities that agree to consolidate county or municipal  
15 services may receive payments under sub. (2), if such counties and municipalities  
16 submit a copy of the consolidation agreement to the department of revenue no later  
17 than September 1 of the year preceding the effective date of the consolidation and the  
18 department approves the payment.

19           (b) A consolidation agreement submitted under par. (a) shall include an  
20 estimate of the savings to each county or municipality that is subject to the  
21 agreement that will result from the consolidation of services.

22           (c) No later than September 15 of each year, the department of revenue shall  
23 review any agreement submitted under par. (a) and determine whether each county  
24 or municipality that is subject to the agreement will receive a payment under sub.

25 (2). *is \$40,000,000, except that the reduction applied to any county's  
or municipality's payment shall not exceed the amount  
of the payments specified under subd. 1. distributed to the county  
or municipality in 2003* ✓

1 (d) The department of revenue shall consider a consolidation ordinance under  
2 s. 66.0229 to be an agreement to consolidate municipal services for purposes of this  
3 subsection.

4 (2) (a) Subject to review and approval under sub. (1) (c) and the limitations  
5 provided under this subsection, each county and municipality that is eligible for a  
6 payment under this section shall receive one payment in the first year of the  
7 consolidation specified in the agreement submitted under sub. (1) (a) that is equal  
8 to 75% the estimated savings to each such county or municipality that result from  
9 the consolidation. No county or municipality may receive more than one payment  
10 under this section related to the same consolidation agreement.

11 (b) The total amount of all payments under par. (a) distributed in each year may  
12 not exceed \$45,000,000. If in any year the department of revenue calculates that the  
13 total amount of all payments under par. (a) exceeds \$45,000,000, each county and  
14 municipality that is eligible to receive a payment under par. (a) shall receive a  
15 payment that is reduced in proportion to the county's or municipality's share of the  
16 total payments under par. (a) so that the total amount of all such payments is no more  
17 than \$45,000,000.

18 (3) Beginning with distributions in 2004, the payments under s. 79.035 to be  
19 distributed to each county and municipality shall be reduced in proportion to the  
20 county's or municipality's share of all payments under s. 79.035 in each year so that  
21 the total amount of all payments under s. 79.035 is reduced by the total amount to  
22 be distributed under sub. (2) in that year.”.

23 **15.** Page 144, line 15: delete “2002” and substitute “2003”.

24 **16.** Page 145, line 1: delete “2002” and substitute “2003”.

1           **17.** Page 146, line 8: on lines 8 and 16, delete “except for the distribution” and  
2 substitute “ending with the distributions”.

3           **18.** Page 146, line 9: delete “~~sub. (1)~~ subs. (1), (6), and (7)” and substitute “sub.  
4 (1)”.

5           **19.** Page 146, line 10: on lines 10 and 18, delete “from the public utility  
6 account”.

7           **20.** Page 146, line 17: delete “~~sub. (2)~~ subs. (2), (6), and (7)” and substitute  
8 “sub. (2)”.

9           **21.** Page 147, line 1: delete “2003” and substitute “2004”.

10          **22.** Page 147, line 3: delete the material beginning with that line and ending  
11 with page 153, line 2.

12          **23.** Page 153, line 4: on lines 4 and 10, delete “2002” and substitute “2003”.

13          **24.** Page 153, line 7: delete “2003” and substitute “2004”.

14          **25.** Page 153, line 18: delete lines 18 and 19 and substitute:

15          “**SECTION 254bm.** 79.058 (3) (e) of the statutes, as created by 2001 Wisconsin  
16 Act 16, is amended to read:

17          79.058 (3) (e) In 2003 ~~and subsequent years~~, \$21,181,100.”.

18          **26.** Page 153, line 21: delete “2003” and substitute “2004”.

19          **27.** Page 153, line 22: after that line insert:

20          “**SECTION 256b.** 79.06 (1) (b) of the statutes is amended to read:

21          79.06 (1) (b) If Ending with the distributions in 2003, if the payments to any  
22 municipality or county under s. 79.03, excluding payments under s. 79.03 (3c), in  
23 1986 or any year thereafter are less than 95% of the combined payments to the

1 municipality or county under this section and s. 79.03, excluding payments under s.  
2 79.03 (3c), for the previous year, the municipality or county has an aids deficiency.  
3 The amount of the aids deficiency is the amount by which 95% of the combined  
4 payments to the municipality or county under this section and s. 79.03, excluding  
5 payments under s. 79.03 (3c), in the previous year exceeds the payments to the  
6 municipality or county under s. 79.03, excluding payments under s. 79.03 (3c), in the  
7 current year.

8 **SECTION 256e.** 79.06 (2) (b) of the statutes, as affected by 2001 Wisconsin Act  
9 16, is amended to read:

10 79.06 (2) (b) If Ending with the distributions in 2003, if the payments to a  
11 municipality or county, except any county in which there are no cities or villages, or  
12 any county created in the year 1846 or 1847, with a population in the year 1990  
13 greater than 16,000 but less than 17,000, as determined by the 1990 federal  
14 decennial census, in any year exceed its combined payments under this section and  
15 s. 79.03, excluding payments under s. 79.03 (3c), in the previous year by more than  
16 the maximum allowable increase, the excess shall be withheld to fund minimum  
17 payments in that year under sub. (1) (c).”.

18 **28.** Page 153, line 24: delete “2003” and substitute “2004”.

19 **29.** Page 437, line 10: delete lines 10 to 12.

20 (END)

INSERT  
6-7 ✓

256d ✓

(INSERT 6-7)

Section #. 79.06 (1) (c) of the statutes is amended to read:

Ending with the distributions in 2003, a

79.06 (1) (c) ~~A~~ municipality or county that has an aids deficiency shall receive a payment from the amounts withheld under sub. (2) equal to its proportion of all the aids deficiencies of municipalities or counties respectively for that year.

History: 1971 c. 125, 215; 1973 c. 90; 1975 c. 39; 1977 c. 29; 1979 c. 34, 221; 1981 c. 20, 93; 1983 a. 27; 1985 a. 29; 1991 a. 39; 1993 a. 16; 1995 a. 27; 2001 a. 16.

end of insert 6-7



State of Wisconsin  
2001 - 2002 LEGISLATURE  
January 2002 Special Session

LRBb3084/5  
JK:jld&kjf&kg:pg

LFB:.....Olin – Shared Revenue and consolidation payments

FOR 2001-03 BUDGET -- NOT READY FOR INTRODUCTION

**SENATE AMENDMENT ,**  
**TO SENATE SUBSTITUTE AMENDMENT 1,**  
**TO ASSEMBLY BILL 1**

- 1 At the locations indicated, amend the substitute amendment as follows:
- 2 **1.** Page 20, line 6: on lines 6, 10 and 16, delete "2003" and substitute "2004".
- 3 **2.** Page 20, line 18: delete "2003" and substitute "2004".
- 4 **3.** Page 20, line 19: delete "s. 79.035" and substitute "ss. 79.035 and 79.036".
- 5 **4.** Page 20, line 20: delete lines 20 to 22.
- 6 **5.** Page 21, line 3: delete "2003" and substitute "2004".
- 7 **6.** Page 139, line 17: delete lines 17 to 19.
- 8 **7.** Page 140, line 1: delete "; and ~~\$58,145,700 in 2003~~" and substitute "; and
- 9 \$58,145,700 in 2003".



1           **8.** Page 140, line 6: delete lines 6 and 7 and substitute “\$999,709,900 in 2004  
2 and in each year thereafter.”.

3           **9.** Page 140, line 8: delete lines 8 to 12.

4           **10.** Page 140, line 17: on lines 17, 20 and 25, after “79.035,” insert “79.036.”.

5           **11.** Page 141, line 9: on lines 9 and 13, delete “2002” and substitute “2003”.

6           **12.** Page 141, line 24: delete lines 24 and 25 and substitute “20.855 (4) (rb) in  
7 2002 is \$11,110,000 in 2002; and \$11,221,100 in 2003 and in each year thereafter and  
8 the total amount to be distributed under this subsection from s. 20.835 (1) (b) in 2003  
9 is \$11,221,100.”.

10           **13.** Page 142, line 14: delete lines 14 to 21 and substitute “counties. In 2003  
11 and subsequent years, the total amounts to be distributed under ss. 79.03, 79.04, and  
12 79.06 from s. 20.835 (1) (d) are \$776,783,700 to municipalities and \$172,378,300 to  
13 counties.”.

14           **14.** Page 142, line 23: delete “2003” and substitute “2004”.

15           **15.** Page 143, line 1: delete the material beginning with that line and ending  
16 with page 144, line 12, and substitute:

17           **“79.035 County and municipal aid. (1)** Subject to reductions under s.  
18 79.036 (3), in 2004 and subsequent years, each county and municipality shall receive  
19 a payment from the county and municipal aid account in an amount determined  
20 under sub. (2).

21           **(2) (a) 1.** For the distribution in 2004, each county and municipality will receive  
22 a payment that is equal to the amount of the payments the county or municipality

1 received in 2003 under ss. 79.03, 79.04, 79.05, 79.058, and 79.06, less the amount of  
2 the reduction under subd. 2.

3 2. The department of revenue shall reduce the amount of the payments to be  
4 distributed to each county and municipality, as determined under subd. 1., by  
5 subtracting from such payments an amount based on the county's or municipality's  
6 population, as determined by the department, so that the total amount of the  
7 reduction to all such payments in 2004 is \$40,000,000, except that the reduction  
8 applied to any county's or municipality's payment shall not exceed the amount of the  
9 payments specified under subd. 1. distributed to the county or municipality in 2003.

10 (b) For the distribution in 2005 and subsequent years, each county and  
11 municipality shall receive a payment under this section that is equal to the amount  
12 of the payment determined for the county or municipality under par. (a) in 2004 prior  
13 to the reductions under s. 79.036.

14 **SECTION 244f.** 79.036 of the statutes is created to read:

15 **79.036 Consolidation incentive payment.** (1) (a) In 2004 and subsequent  
16 years, counties and municipalities that agree to consolidate county or municipal  
17 services may receive payments under sub. (2), if such counties and municipalities  
18 submit a copy of the consolidation agreement to the department of revenue no later  
19 than September 1 of the year preceding the effective date of the consolidation and the  
20 department approves the payment.

21 (b) A consolidation agreement submitted under par. (a) shall include an  
22 estimate of the savings to each county or municipality that is subject to the  
23 agreement that will result from the consolidation of services.

24 (c) No later than September 15 of each year, the department of revenue shall  
25 review any agreement submitted under par. (a) and determine whether each county

1 or municipality that is subject to the agreement will receive a payment under sub.  
2 (2).

3 (d) The department of revenue shall consider a consolidation ordinance under  
4 s. 66.0229 to be an agreement to consolidate municipal services for purposes of this  
5 subsection.

6 (2) (a) Subject to review and approval under sub. (1) (c) and the limitations  
7 provided under this subsection, each county and municipality that is eligible for a  
8 payment under this section shall receive one payment in the first year of the  
9 consolidation specified in the agreement submitted under sub. (1) (a) that is equal  
10 to 75% the estimated savings to each such county or municipality that result from  
11 the consolidation. No county or municipality may receive more than one payment  
12 under this section related to the same consolidation agreement.

13 (b) The total amount of all payments under par. (a) distributed in each year may  
14 not exceed \$45,000,000. If in any year the department of revenue calculates that the  
15 total amount of all payments under par. (a) exceeds \$45,000,000, each county and  
16 municipality that is eligible to receive a payment under par. (a) shall receive a  
17 payment that is reduced in proportion to the county's or municipality's share of the  
18 total payments under par. (a) so that the total amount of all such payments is no more  
19 than \$45,000,000.

20 (3) Beginning with distributions in 2004, the payments under s. 79.035 to be  
21 distributed to each county and municipality shall be reduced in proportion to the  
22 county's or municipality's share of all payments under s. 79.035 in each year so that  
23 the total amount of all payments under s. 79.035 is reduced by the total amount to  
24 be distributed under sub. (2) in that year.”

- 1           **16.** Page 144, line 15: delete “2002” and substitute “2003”.
- 2           **17.** Page 145, line 1: delete “2002” and substitute “2003”.
- 3           **18.** Page 146, line 8: on lines 8 and 16, delete “except for the distribution” and  
4 substitute “ending with the distributions”.
- 5           **19.** Page 146, line 9: delete “sub. (1) subs. (1), (6), and (7)” and substitute “sub.  
6 (1)”.
- 7           **20.** Page 146, line 10: on lines 10 and 18, delete “from the public utility  
8 account”.
- 9           **21.** Page 146, line 17: delete “sub. (2) subs. (2), (6), and (7)” and substitute  
10 “sub. (2)”.
- 11           **22.** Page 147, line 1: delete “2003” and substitute “2004”.
- 12           **23.** Page 147, line 3: delete the material beginning with that line and ending  
13 with page 153, line 2.
- 14           **24.** Page 153, line 4: on lines 4 and 10, delete “2002” and substitute “2003”.
- 15           **25.** Page 153, line 7: delete “2003” and substitute “2004”.
- 16           **26.** Page 153, line 18: delete lines 18 and 19 and substitute:  
17 “**SECTION 254bm.** 79.058 (3) (e) of the statutes, as created by 2001 Wisconsin  
18 Act 16, is amended to read:  
19 79.058 (3) (e) In 2003 and subsequent years, \$21,181,100.”.
- 20           **27.** Page 153, line 21: delete “2003” and substitute “2004”.
- 21           **28.** Page 153, line 22: after that line insert:  
22 “**SECTION 256b.** 79.06 (1) (b) of the statutes is amended to read:

1           79.06 (1) (b) If Ending with the distributions in 2003, if the payments to any  
2           municipality or county under s. 79.03, excluding payments under s. 79.03 (3c), in  
3           1986 or any year thereafter are less than 95% of the combined payments to the  
4           municipality or county under this section and s. 79.03, excluding payments under s.  
5           79.03 (3c), for the previous year, the municipality or county has an aids deficiency.  
6           The amount of the aids deficiency is the amount by which 95% of the combined  
7           payments to the municipality or county under this section and s. 79.03, excluding  
8           payments under s. 79.03 (3c), in the previous year exceeds the payments to the  
9           municipality or county under s. 79.03, excluding payments under s. 79.03 (3c), in the  
10          current year.

11           **SECTION 256d.** 79.06 (1) (c) of the statutes is amended to read:

12           79.06 (1) (c) ~~A~~ Ending with the distributions in 2003, a municipality or county  
13          that has an aids deficiency shall receive a payment from the amounts withheld under  
14          sub. (2) equal to its proportion of all the aids deficiencies of municipalities or counties  
15          respectively for that year.

16           **SECTION 256e.** 79.06 (2) (b) of the statutes, as affected by 2001 Wisconsin Act  
17          16, is amended to read:

18           79.06 (2) (b) If Ending with the distributions in 2003, if the payments to a  
19          municipality or county, except any county in which there are no cities or villages, or  
20          any county created in the year 1846 or 1847, with a population in the year 1990  
21          greater than 16,000 but less than 17,000, as determined by the 1990 federal  
22          decennial census, in any year exceed its combined payments under this section and  
23          s. 79.03, excluding payments under s. 79.03 (3c), in the previous year by more than  
24          the maximum allowable increase, the excess shall be withheld to fund minimum  
25          payments in that year under sub. (1) (c).”

1           **29.** Page 153, line 24: delete "2003" and substitute "2004".

2           **30.** Page 437, line 10: delete lines 10 to 12.

3                                   **(END)**