



2003 BILL

m 5-21-03  
Today  
by noon

GEN

1 AN ACT ...; relating to: payments to local governments for public utilities and  
2 making an appropriation.

*Analysis by the Legislative Reference Bureau*

Under current law, generally, the property of a public utility is subject to a state tax rather than local property taxes. Instead of collecting property taxes on such public utility property, municipalities and counties receive payments from the shared revenue account based on the value of public utility property located in the municipalities and counties. The amount of a municipality's payment is equal to the value of public utility property located in the municipality, not exceeding \$125,000,000 for each utility, multiplied by either three mills, for a town, or six mills, for a city or village. However, the payment may not exceed an amount that is equal to \$300 multiplied by the municipality's population. The amount of a county's payment is equal to the value of public utility property located in each municipality within the county, not exceeding \$125,000,000 for each utility, multiplied by either three mills, for a city or village located within the county, or six mills, for a town located within the county. However, the amount of the county's payment may not exceed an amount that is equal to \$100 multiplied by the county's population.

Under this bill, for public utilities that begin operation before January 1, 2004, municipalities and counties in which such utilities are located will continue to receive payments from the shared revenue account as described above. Under the bill, beginning in 2005, the payments to municipalities and counties related to public utility production plants that begin operation after December 31, 2003, are paid from the public utility distribution account, which is created by the bill, instead of from

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the shared revenue account, and the amount of such payments is based on the megawatt capacity of all production plants located in the municipality and county, rather than on the value of the public utility property multiplied by the municipality's or county's mill rate. If a production plant is located in a city or village, the city or village in which the plant is located receives two-thirds of the amount of the payment determined by megawatt capacity, and the county in which the plant is located receives one-third of the amount of the payment determined by megawatt capacity. If a production plant is located in a town, the town in which the plant is located receives one-third of the amount of the payment determined by megawatt capacity, and the county in which the plant is located receives two-thirds of the amount of the payment determined by megawatt capacity. The total payment is equal to the production plant's megawatt capacity multiplied by \$2,000.

The total amount of such payments to a municipality, however, may not exceed the following: 1) in 2005, an amount equal to the municipality's population multiplied by \$450; 2) in 2006, an amount equal to the municipality's population multiplied by \$650; 3) in 2007, an amount equal to the municipality's population multiplied by \$950; and 4) in 2008 and subsequent years, an amount equal to the municipality's population multiplied by \$1,200. The total amount of such payments to a county may not exceed the following: 1) in 2005, an amount equal to the county's population multiplied by \$225; 2) in 2006, an amount equal to the county's population multiplied by \$325; 3) in 2007, an amount equal to the county's population multiplied by \$475; and 4) in 2008 and subsequent years, an amount equal to the county's population multiplied by \$600.

Under the bill, beginning in 2005, for production plants that begin operation after December, 31, 2003, each municipality and county in which a production plant is located will receive additional payments based on the megawatt capacity of a production plant located in the municipality or county, if the production plant meets any of the following criteria: 1) it is not a nuclear-powered production plant and it is built on the site of, or adjacent to, an existing or decommissioned production plant on the site of, or adjacent to, brownfields, or on a site purchased by a public utility before January 1, 1980, and identified in an advance plan as a proposed production plant site; 2) it is a baseload electric generating facility, as determined by the Public Service Commission; or 3) it is a production plant that derives energy from a renewable resource. The amount of the payment under this first criterion equals the production plant's megawatt capacity multiplied by \$600, and the amount of the payment under the second and third criteria is equal to the production plant's megawatt capacity multiplied by \$1,000.

Under current law, if public utility property is decommissioned and thereby subject to local property taxes, the municipalities and counties in which the property is located no longer receive shared revenue payments based on the value of that property. Under the bill, shared revenue payments related to decommissioned utility property are phased out over five years.

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

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

1           **SECTION 1.** 20.835 (1) (d)<sup>√</sup> of the statutes is amended to read:

2           20.835 (1) (d) *Shared revenue account.* A sum sufficient to meet the  
3 requirements of the shared revenue account established under s. 79.01 (2) to provide  
4 for the distributions from the shared revenue account to counties, towns, villages and  
5 cities under ss. 79.03, 79.04 (1) to (4)<sup>√</sup>, and 79.06.

History: 1971 c. 125 ss. 192 to 195, 521; 1971 c. 215; 1973 c. 90, 158, 333; 1975 c. 39; 1975 c. 372 s. 41; 1975 c. 424; 1977 c. 29, 31, 313, 418, 447; 1979 c. 34 ss. 637m to 643m, 2102 (46) (d); 1979 c. 221; 1979 c. 329 s. 25 (1); 1979 c. 350 s. 27 (1); 1981 c. 1, 20, 93, 317; 1983 a. 2 ss. 1, 12; 1983 a. 27 ss. 489m, 490m, 2202 (45); 1985 a. 29, 41, 205; 1987 a. 27 ss. 473 to 474r, 476; 1987 a. 92; 1987 a. 312 s. 17; 1987 a. 323, 328, 399, 411, 422; 1989 a. 31 ss. 551 to 557m, 564m; 1989 a. 56 s. 259; 1989 a. 336; 1991 a. 37; 1991 a. 39 ss. 250m, 653m to 659m; 1991 a. 225, 269; 1993 a. 16, 263; 1995 a. 27, 56, 209, 417; 1997 a. 27, 237; 1999 a. 5, 9, 10; 1999 a. 150 s. 672; 1999 a. 167; 2001 a. 16, 105, 109.

6           **SECTION 2.** 20.835 (1) (dm)<sup>√</sup> of the statutes is created to read:

7           20.835 (1) (dm) *Public utility distribution account.* Beginning in 2005, a sum  
8 sufficient to make the payments under s. 79.04 (5), (6), and (7)<sup>√</sup>.

9           **SECTION 3.** 79.005 (4)<sup>√</sup> of the statutes is created to read:

10          79.005 (4) “Repowering” means any of the following:

11          (a) Replacing the boiler on an existing fossil fuel steam unit with a combustion  
12 turbine and heat recovery steam generator and reusing the steam turbine and heat  
13 rejection system.

14          (b) Adding a heat recovery steam generator to a simple cycle combustion  
15 turbine.

16          (c) Demolishing or abandoning an existing power generation unit and adding  
17 a new combustion turbine, heat recovery steam generator, and steam turbine.

18          **SECTION 4.** 79.01 (2m)<sup>√</sup> of the statutes is created to read:

**BILL****SECTION 4**

1           79.01 (2m) There is established an account in the general fund entitled the  
2 “Public Utility Distribution Account,” referred to in this chapter as the “public utility  
3 account.” There shall be appropriated to the public utility account the sums specified  
4 in s. 79.04 (5), (6), and (7).<sup>✓</sup>

5           **SECTION 5.** 79.04 (1) (intro.)<sup>✓</sup> of the statutes is amended to read:

6           79.04 (1) (intro.) Annually, for production plants that begin operation before  
7 January 1, 2004, other than <sup>9</sup>such plants that undergo repowering after December 31,  
8 2003, the department of administration, upon certification by the department of  
9 revenue, shall distribute to a municipality having within its boundaries a production  
10 plant or a general structure, including production plants and general structures  
11 under construction, used by a light, heat, or power company assessed under s. 76.28  
12 (2) or 76.29 (2), except property described in s. 66.0813 unless the production plant  
13 is owned or operated by a local governmental unit located outside of the municipality,  
14 or by an electric cooperative assessed under ss. 76.07 and 76.48, respectively, or by  
15 a municipal electric company under s. 66.0825 the amount determined as follows:

History: 1971 c. 125, 215; 1973 c. 90 ss. 387, 391g; 1973 c. 243 s. 82; 1975 c. 39, 224; 1977 c. 29, 418; 1979 c. 34; 1983 a. 27; 1985 a. 29, 39; 1987 a. 27; 1989 a. 31; 1993 a. 16, 307; 1995 a. 27; 1999 a. 150 s. 672; 2001 a. 16; 2001 a. 30 s. 108.

16           **SECTION 6.** 79.04 (2) (a)<sup>9</sup> of the statutes is amended to read:

17           79.04 (2) (a) Annually, for production plants that begin operation before  
18 January 1, 2004, other than <sup>9</sup>such plants that undergo repowering after December 31,  
19 2003, the department of administration, upon certification by the department of  
20 revenue, shall distribute from the shared revenue account to any county having  
21 within its boundaries a production plant or a general structure, including production  
22 plants and general structures under construction, used by a light, heat or power  
23 company assessed under s. 76.28 (2) or 76.29 (2), except property described in s.  
24 66.0813 unless the production plant is owned or operated by a local governmental

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1 unit that is located outside of the municipality in which the production plant is  
2 located, or by an electric cooperative assessed under ss. 76.07 and 76.48, respectively,  
3 or by a municipal electric company under s. 66.0825 an amount determined by  
4 multiplying by 6 mills in the case of property in a town and by 3 mills in the case of  
5 property in a city or village the first \$125,000,000 of the amount shown in the  
6 account, plus leased property, of each public utility except qualified wholesale  
7 electric companies, as defined in s. 76.28 (1) (gm), on December 31 of the preceding  
8 year for either “production plant, exclusive of land” and “general structures”, or  
9 “work in progress” for production plants and general structures under construction,  
10 in the case of light, heat and power companies, electric cooperatives or municipal  
11 electric companies, for all property within the municipality in accordance with the  
12 system of accounts established by the public service commission or rural  
13 electrification administration, less depreciation thereon as determined by the  
14 department of revenue and less the value of treatment plant and pollution  
15 abatement equipment, as defined under s. 70.11 (21) (a), as determined by the  
16 department of revenue plus an amount from the shared revenue account determined  
17 by multiplying by 6 mills in the case of property in a town, and 3 mills in the case of  
18 property in a city or village, of the total original cost of production plant, general  
19 structures and work-in-progress less depreciation, land and approved waste  
20 treatment facilities of each qualified wholesale electric company, as defined in s.  
21 76.28 (1) (gm), as reported to the department of revenue of all property within the  
22 municipality. The total of amounts, as depreciated, from the accounts of all public  
23 utilities for the same production plant is also limited to not more than \$125,000,000.

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**SECTION 6**

1 The amount distributable to a county in any year shall not exceed \$100 times the  
2 population of the county.

History: 1971 c. 125, 215; 1973 c. 90 ss. 387, 391g; 1973 c. 243 s. 82; 1975 c. 39, 224; 1977 c. 29, 418; 1979 c. 34; 1983 a. 27; 1985 a. 29, 39; 1987 a. 27; 1989 a. 31; 1993 a. 16, 307; 1995 a. 27; 1999 a. 150 s. 672; 2001 a. 16; 2001 a. 30 s. 108.

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

4 79.04 (3m) For purposes of determining the amount of the payments under  
5 subs. (1) and (2), the payments for a municipality and county in which an ash disposal  
6 facility is operating prior to the effective date of this subsection ... (reviser inserts  
7 date) shall be calculated to include an amount that is equal to the net book value of  
8 the ash disposal facility multiplied by 2.

9 **SECTION 8.** 79.04 (4) of the statutes is amended to read:

10 79.04 (4) (a) Annually, in addition to the ~~amount~~<sup>amounts</sup> distributed under sub. (1)  
11 subs. (1), (5), (6), and (7), the department of administration shall distribute \$50,000  
12 to a municipality if spent nuclear fuel is stored within the municipality on December  
13 31 of the preceding year. If a spent nuclear fuel storage facility is located within one  
14 mile of a municipality, that municipality shall receive \$10,000 annually and the  
15 municipality where that storage facility is located shall receive \$40,000 annually.

16 (b) Annually, in addition to the ~~amount~~<sup>amounts</sup> distributed under sub. (2) subs. (2), (5),  
17 (6), and (7), the department of administration shall distribute \$50,000 to a county if  
18 spent nuclear fuel is stored within the county on December 31 of the preceding year.  
19 If a spent nuclear fuel storage facility is located at a production plant located in more  
20 than one county, the payment shall be apportioned according to the formula under  
21 sub. (1) (c) 2., except that the formula, as it applies to municipalities in that  
22 subdivision, applies to counties in this paragraph. The payment under this  
23 paragraph may not be less than \$10,000 annually.

History: 1971 c. 125, 215; 1973 c. 90 ss. 387, 391g; 1973 c. 243 s. 82; 1975 c. 39, 224; 1977 c. 29, 418; 1979 c. 34; 1983 a. 27; 1985 a. 29, 39; 1987 a. 27; 1989 a. 31; 1993 a. 16, 307; 1995 a. 27; 1999 a. 150 s. 672; 2001 a. 16; 2001 a. 30 s. 108.

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1           **SECTION 9.** 79.04 (5) of the statutes is created to read:

2           79.04 (5) (a) Beginning with the distributions in 2005, if property that was  
3 exempt from the property tax under s. 70.112 (4) and that was used to generate power  
4 by a light, heat, or power company, except property under s. 66.0813, or by an electric  
5 cooperative, is decommissioned, the municipality shall be paid, from the public  
6 utility account, an amount calculated by subtracting an amount equal to the  
7 property taxes paid for that property during the current year to the municipality for  
8 its general operations from the following percentages of the payment that the  
9 municipality received under this section during the last year that the property was  
10 exempt from the property tax:

- 11           1. In the first year that the property is taxable, 100%.
- 12           2. In the 2nd year that the property is taxable, 80%.
- 13           3. In the 3rd year that the property is taxable, 60%.
- 14           4. In the 4th year that the property is taxable, 40%.
- 15           5. In the 5th year that the property is taxable, 20%.

16           (b) Beginning with the distributions in 2005, if property that was exempt from  
17 the property tax under s. 70.112 (4) and that was used to generate power by a light,  
18 heat, or power company, except property under s. 66.0813, or by an electric  
19 cooperative, is decommissioned, the county shall be paid, from the public utility  
20 account, an amount calculated by subtracting an amount equal to the property taxes  
21 paid for that property during the current year to the county for its general operations  
22 from the following percentages of the payment the county received under this section  
23 during the last year that the property was exempt from the property tax:

- 24           1. In the first year that the property is taxable, 100%.
- 25           2. In the 2nd year that the property is taxable, 80%.

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**SECTION 9**

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 10.** 79.04 (6) of the statutes is created to read:

5 79.04 (6) (a) Annually, beginning in 2005, for production plants that begin  
6 operation after December 31, 2003, or undergo repowering after December 31, 2003,  
7 the department of administration, upon certification by the department of revenue,  
8 shall distribute payments from the public utility account, as determined under par.

9 (b), to each municipality and county in which a production plant is located, if the

10 production plant is used by a light, heat, or power company assessed under s. 76.28

11 (2) or 76.29 (2) <sup>and</sup> ~~except~~ <sup>A production plant that is</sup> property described in s. 66.0813, <sup>is not entitled to a payment under this</sup> unless the production plant <sup>paragraph</sup>

12 is operating at a name-plate capacity of at least <sup>one</sup> ~~one~~ megawatt ~~and~~ <sup>is</sup> is owned or operated

13 by a local governmental unit located outside of the municipality; <sup>is</sup> a qualified

14 wholesale electric company, as defined in s. 76.28 (1) (gm); <sup>is</sup> a wholesale merchant

15 plant, as defined in s. 196.491 (1) (w); <sup>is</sup> an electric cooperative assessed under ss. 76.07

16 and 76.48, respectively; <sup>is</sup> or a municipal electric company under s. 66.0825.

17 (b) Subject to pars. (c) and (d), each municipality entitled to a payment under  
18 par. (a) and, subject to pars. (c) and (e), each county in which such a municipality is  
19 located shall receive a payment equal to a portion of an amount that is equal to the  
20 number of megawatts that represents the production plant's name-plate capacity,  
21 multiplied by \$2,000.

22 (c) 1. If the production plant is located in a city or village, the city or village  
23 receives a payment equal to two-thirds of the amount determined under par. (b) and  
24 the county in which the city or village is located receives a payment equal to  
25 one-third of the amount determined under par. (b). If the production plant is located



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1 in a town, the town receives a payment equal to one-third of the amount determined  
2 under par. (b), and the county in which the town is located receives a payment equal  
3 to two-thirds of the amount determined under par. (b). If a municipality is located  
4 in more than one county, the county in which the production plant is located shall  
5 receive the county portion of the payment.

6 2. For the purpose of determining the amount of the payment under par. (b),  
7 if a production plant is located in more than one municipality, the name-plate  
8 capacity of the production plant is attributable to the municipality in which the  
9 majority of the plant is physically located and the payment amount that would result  
10 under par. (b) as if there are no other plants in that municipality shall be divided  
11 among the municipalities in which the plant is located based on the net book value  
12 of that portion of the plant located in each municipality as of December 31, 2004, or  
13 as of the date on which the plant is operational, whichever is later.

14 (d) The total amount distributable to a municipality under this subsection shall  
15 not exceed the following:

16 1. For the distribution in 2005, an amount equal to the municipality's  
17 population multiplied by \$450.

18 2. For the distribution in 2006, an amount equal to the municipality's  
19 population multiplied by \$650.

20 3. For the distribution in 2007, an amount equal to the municipality's  
21 population multiplied by \$950.

22 4. For the distribution in 2008 and subsequent years, an amount equal to the  
23 municipality's population multiplied by \$1,200.

24 (e) the total amount distributable to a county under this subsection (7) shall  
25 not exceed the following:

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**SECTION 10**

1           1. For the distribution in 2005, an amount equal to the county's population  
2 multiplied by \$225.

3           2. For the distribution in 2006, an amount equal to the county's population  
4 multiplied by \$325.

5           3. For the distribution in 2007, an amount equal to the county's population  
6 multiplied by \$475.

7           4. For the distribution in 2008 and subsequent years, an amount equal to the  
8 county's population multiplied by \$600.

→ CR; 79.04 (7)

9           79.04 (7) (a) Subject to sub. (6) (e),<sup>✓</sup> beginning with payments in 2005, if a  
10 production plant, as described in sub. (6) (a),<sup>✓</sup> other than a nuclear-powered  
11 production plant, is built on the site of, or on a site adjacent to, an existing or  
12 decommissioned production plant;<sup>is built</sup> or ~~on~~ a site purchased by a public utility before  
13 January 1, 1980, that was identified in an advance plan as a proposed site for a  
14 production plant;<sup>is built</sup> or ~~on~~, or on a site adjacent to, brownfields, as defined in s. 560.13  
15 (1) (a),<sup>✓</sup> after December 31, 2003, and is operating at a name-plate capacity of at least  
16 <sup>one</sup> megawatt, each municipality and county in which such a production plant is  
17 located shall receive annually from the public utility account a payment in an  
18 amount that is equal to the number of megawatts that represents<sup>✓</sup> the production  
19 plant's name-plate capacity, multiplied by \$600.

20           (b) Subject to sub. (6) (e),<sup>✓</sup> beginning with payments in 2005, if a production  
21 plant, as described in sub. (6) (a),<sup>✓</sup> that is a baseload electric generating facility, as  
22 determined by the public service commission, is built after December 31, 2003, and  
23 is operating at a name-plate capacity of at least 50 megawatts, each municipality  
24 and county in which such a production plant is located shall receive annually from  
25 the public utility account a payment in an amount that is equal to the number of

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1 megawatts that represents the production plant's name-plate capacity, multiplied  
2 by \$1,000.

3 (c) Subject to sub. (6) (e),<sup>✓</sup> beginning with payments in 2005, if a production  
4 plant, as described in sub. (6) (a),<sup>✓</sup> that derives energy from a renewable resource, as  
5 defined in s. 196.378 (1) (h),<sup>✓</sup> is built after December 31, 2003, and is operating at a  
6 name-plate capacity of at least <sup>one</sup> 1 megawatt, each municipality and county in which  
7 such a production plant is located shall receive annually from the public utility  
8 account a payment in an amount that is equal to the number of megawatts that  
9 represents the production plant's name-plate capacity, multiplied by \$1,000.

10 **SECTION 11.** 196.20 (7)<sup>✓</sup> of the statutes is created to read:

11 196.20 (7) (a) In this subsection, "mitigation payment" means an amount paid  
12 to a municipality in which an electric generating facility is located to mitigate the  
13 effects of the facility on the municipality.

14 (b) Except as provided in par. (c),<sup>✓</sup> an electric public utility may not recover in  
15 rates any of the following:

- 16 1. The cost of mitigation payments paid by the utility.
- 17 2. The cost of mitigation payments paid by the owner<sup>or operator</sup> of an electric generating  
18 facility that the <sup>owner or operator</sup> facility recovers from the utility by selling electricity to the utility,  
19 by leasing the facility to the utility, or by any agreement between the owner<sup>or operator</sup> of the  
20 electric generating facility and the public utility.

21 (c) Paragraph (b)<sup>✓</sup> does not apply to any public utility for which the commission  
22 has determined that an application for a certificate under s. 196.491 (3)<sup>✓</sup> is complete  
23 prior to the effective date of this <sup>paragraph</sup> ~~subsection~~ ...<sup>©</sup> (revisor inserts date).

24 **SECTION 12. Initial applicability.**

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**SECTION 12**

1 (1) This act first applies to distributions made on the 4th Monday in July 2005.

2 (END)



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-2735/4  
JK:wlj:eph

2003 BILL

RM not R

NOW  
5-21-03

1 AN ACT *to amend* 20.835 (1) (d), 79.04 (1) (intro.), 79.04 (2) (a) and 79.04 (4); and  
2 *to create* 20.835 (1) (dm), 79.005 (4), 79.01 (2m), 79.04 (3m), 79.04 (5), 79.04 (6),  
3 79.04 (7) and 196.20 (7) of the statutes; **relating to:** payments to local  
4 governments for public utilities and making an appropriation.

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

Under current law, generally, the property of a public utility is subject to a state tax rather than local property taxes. Instead of collecting property taxes on public utility property, municipalities and counties receive payments from the shared revenue account based on the value of public utility property located in the municipalities and counties. The amount of a municipality's payment is equal to the value of public utility property located in the municipality, not exceeding \$125,000,000 for each utility, multiplied by either three mills, for a town, or six mills, for a city or village. However, the payment may not exceed an amount that is equal to \$300 multiplied by the municipality's population. The amount of a county's payment is equal to the value of public utility property located in each municipality within the county, not exceeding \$125,000,000 for each utility, multiplied by either three mills, for a city or village located within the county, or six mills, for a town located within the county. However, the amount of the county's payment may not exceed an amount that is equal to \$100 multiplied by the county's population.

Under this bill, for public utilities that begin operation before January 1, 2004, municipalities and counties in which such utilities are located will continue to receive payments from the shared revenue account as described above. Under the

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bill, beginning in 2005, the payments to municipalities and counties related to public utility production plants that begin operation after December 31, 2003, are paid from the public utility distribution account, which is created by the bill, instead of from the shared revenue account, and the amount of such payments is based on the megawatt capacity of all production plants located in the municipality and county, rather than on the value of the public utility property multiplied by the municipality's or county's mill rate. If a production plant is located in a city or village, the city or village in which the plant is located receives two-thirds of the amount of the payment determined by megawatt capacity, and the county in which the plant is located receives one-third of the amount of the payment determined by megawatt capacity. If a production plant is located in a town, the town in which the plant is located receives one-third of the amount of the payment determined by megawatt capacity, and the county in which the plant is located receives two-thirds of the amount of the payment determined by megawatt capacity. The total payment is equal to the production plant's megawatt capacity multiplied by \$2,000.

The total amount of such payments to a municipality, however, may not exceed the following: 1) in 2005, an amount equal to the municipality's population multiplied by \$450; 2) in 2006, an amount equal to the municipality's population multiplied by \$650; 3) in 2007, an amount equal to the municipality's population multiplied by \$950; and 4) in 2008 and subsequent years, an amount equal to the municipality's population multiplied by \$1,200. The total amount of such payments to a county may not exceed the following: 1) in 2005, an amount equal to the county's population multiplied by \$225; 2) in 2006, an amount equal to the county's population multiplied by \$325; 3) in 2007, an amount equal to the county's population multiplied by \$475; and 4) in 2008 and subsequent years, an amount equal to the county's population multiplied by \$600.

Under the bill, beginning in 2005, for production plants that begin operation after December 31, 2003, each municipality and county in which a production plant is located will receive additional payments based on the megawatt capacity of a production plant located in the municipality or county, if the production plant meets any of the following criteria: 1) it is not a nuclear-powered production plant and it is built on the site of, or adjacent to, an existing or decommissioned production plant, on the site of, or adjacent to, brownfields, or on a site purchased by a public utility before January 1, 1980, and identified in an advance plan as a proposed production plant site; 2) it is a baseload electric generating facility, as determined by the Public Service Commission; or 3) it is a production plant that derives energy from a renewable resource. The amount of the payment under this first criterion equals the production plant's megawatt capacity multiplied by \$600, and the amount of the payment under the second and third criteria is equal to the production plant's megawatt capacity multiplied by \$1,000.

Under current law, if public utility property is decommissioned and thereby subject to local property taxes, the municipalities and counties in which the property is located no longer receive shared revenue payments based on the value of that property. Under the bill, shared revenue payments related to decommissioned utility property are phased out over five years.

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

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6           **SECTION 2.** 20.835 (1) (dm) of the statutes is created to read:

7           20.835 (1) (dm) *Public utility distribution account.* Beginning in 2005, a sum  
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9           **SECTION 3.** 79.005 (4) of the statutes is created to read:

10          79.005 (4) “Repowering” means any of the following:

11          (a) Replacing the boiler on an existing fossil fuel steam unit with a combustion  
12 turbine and heat recovery steam generator and reusing the steam turbine and heat  
13 rejection system.

14          (b) Adding a heat recovery steam generator to a simple cycle combustion  
15 turbine.

16          (c) Demolishing or abandoning an existing power generation unit and adding  
17 a new combustion turbine, heat recovery steam generator, and steam turbine.

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

19          79.01 (2m) There is established an account in the general fund entitled the  
20 “Public Utility Distribution Account,” referred to in this chapter as the “public utility

**BILL**

1 account.” There shall be appropriated to the public utility account the sums specified  
2 in s. 79.04 (5), (6), and (7).

3 **SECTION 5.** 79.04 (1) (intro.) of the statutes is amended to read:

4 79.04 (1) (intro.) Annually, for production plants that begin operation before  
5 January 1, 2004, other than plants that undergo repowering after December 31,  
6 2003, the department of administration, upon certification by the department of  
7 revenue, shall distribute to a municipality having within its boundaries a production  
8 plant or a general structure, including production plants and general structures  
9 under construction, used by a light, heat, or power company assessed under s. 76.28  
10 (2) or 76.29 (2), except property described in s. 66.0813 unless the production plant  
11 is owned or operated by a local governmental unit located outside of the municipality,  
12 or by an electric cooperative assessed under ss. 76.07 and 76.48, respectively, or by  
13 a municipal electric company under s. 66.0825 the amount determined as follows:

14 **SECTION 6.** 79.04 (2) (a) of the statutes is amended to read:

15 79.04 (2) (a) Annually, for production plants that begin operation before  
16 January 1, 2004, other than plants that undergo repowering after December 31,  
17 2003, the department of administration, upon certification by the department of  
18 revenue, shall distribute from the shared revenue account to any county having  
19 within its boundaries a production plant or a general structure, including production  
20 plants and general structures under construction, used by a light, heat or power  
21 company assessed under s. 76.28 (2) or 76.29 (2), except property described in s.  
22 66.0813 unless the production plant is owned or operated by a local governmental  
23 unit that is located outside of the municipality in which the production plant is  
24 located, or by an electric cooperative assessed under ss. 76.07 and 76.48, respectively,  
25 or by a municipal electric company under s. 66.0825 an amount determined by



**BILL**

1 multiplying by 6 mills in the case of property in a town and by 3 mills in the case of  
2 property in a city or village the first \$125,000,000 of the amount shown in the  
3 account, plus leased property, of each public utility except qualified wholesale  
4 electric companies, as defined in s. 76.28 (1) (gm), on December 31 of the preceding  
5 year for either “production plant, exclusive of land” and “general structures”, or  
6 “work in progress” for production plants and general structures under construction,  
7 in the case of light, heat and power companies, electric cooperatives or municipal  
8 electric companies, for all property within the municipality in accordance with the  
9 system of accounts established by the public service commission or rural  
10 electrification administration, less depreciation thereon as determined by the  
11 department of revenue and less the value of treatment plant and pollution  
12 abatement equipment, as defined under s. 70.11 (21) (a), as determined by the  
13 department of revenue plus an amount from the shared revenue account determined  
14 by multiplying by 6 mills in the case of property in a town, and 3 mills in the case of  
15 property in a city or village, of the total original cost of production plant, general  
16 structures and work-in-progress less depreciation, land and approved waste  
17 treatment facilities of each qualified wholesale electric company, as defined in s.  
18 76.28 (1) (gm), as reported to the department of revenue of all property within the  
19 municipality. The total of amounts, as depreciated, from the accounts of all public  
20 utilities for the same production plant is also limited to not more than \$125,000,000.  
21 The amount distributable to a county in any year shall not exceed \$100 times the  
22 population of the county.

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

24 79.04 (3m) For purposes of determining the amount of the payments under  
25 subs. (1) and (2), the payments for a municipality and county in which an ash disposal

**BILL**

1 facility is operating prior to the effective date of this subsection .... [revisor inserts  
2 date], shall be calculated to include an amount that is equal to the net book value of  
3 the ash disposal facility multiplied by 2.

4 **SECTION 8.** 79.04 (4) of the statutes is amended to read:

5 79.04 (4) (a) Annually, in addition to the ~~amount~~ amounts distributed under  
6 ~~sub. (1)~~ subs. (1), (5), (6), and (7), the department of administration shall distribute  
7 \$50,000 to a municipality if spent nuclear fuel is stored within the municipality on  
8 December 31 of the preceding year. If a spent nuclear fuel storage facility is located  
9 within one mile of a municipality, that municipality shall receive \$10,000 annually  
10 and the municipality where that storage facility is located shall receive \$40,000  
11 annually.

12 (b) Annually, in addition to the ~~amount~~ amounts distributed under ~~sub. (2)~~  
13 subs. (2), (5), (6), and (7), the department of administration shall distribute \$50,000  
14 to a county if spent nuclear fuel is stored within the county on December 31 of the  
15 preceding year. If a spent nuclear fuel storage facility is located at a production plant  
16 located in more than one county, the payment shall be apportioned according to the  
17 formula under sub. (1) (c) 2., except that the formula, as it applies to municipalities  
18 in that subdivision, applies to counties in this paragraph. The payment under this  
19 paragraph may not be less than \$10,000 annually.

20 **SECTION 9.** 79.04 (5) of the statutes is created to read:

21 79.04 (5) (a) Beginning with the distributions in 2005, if property that was  
22 exempt from the property tax under s. 70.112 (4) and that was used to generate power  
23 by a light, heat, or power company, except property under s. 66.0813, or by an electric  
24 cooperative, is decommissioned, the municipality shall be paid, from the public  
25 utility account, an amount calculated by subtracting an amount equal to the

**BILL**

1 property taxes paid for that property during the current year to the municipality for  
2 its general operations from the following percentages of the payment that the  
3 municipality received under this section during the last year that the property was  
4 exempt from the property tax:

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

10 (b) Beginning with the distributions in 2005, if property that was exempt from  
11 the property tax under s. 70.112 (4) and that was used to generate power by a light,  
12 heat, or power company, except property under s. 66.0813, or by an electric  
13 cooperative, is decommissioned, the county shall be paid, from the public utility  
14 account, an amount calculated by subtracting an amount equal to the property taxes  
15 paid for that property during the current year to the county for its general operations  
16 from the following percentages of the payment the county received under this section  
17 during the last year that the property was exempt from the property tax:

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

23 **SECTION 10.** 79.04 (6) of the statutes is created to read:

24 79.04 (6) (a) Annually, beginning in 2005, for production plants that begin  
25 operation after December 31, 2003, or undergo repowering after December 31, 2003,

## BILL

1 the department of administration, upon certification by the department of revenue,  
2 shall distribute payments from the public utility account, as determined under par.  
3 (b), to each municipality and county in which a production plant is located, if the  
4 production plant is operating at a name-plate capacity of at least one megawatt and  
5 is used by a light, heat, or power company assessed under s. 76.28 (2) or 76.29 (2).

6 ~~A production plant that is~~ <sup>except</sup> property described in s. 66.0813 ~~is not entitled to a~~  
7 ~~payment under this paragraph,~~ unless the production plant is owned or operated by  
8 a local governmental unit located outside of the municipality; ~~is~~ <sup>by</sup> a qualified wholesale  
9 electric company, as defined in s. 76.28 (1) (gm); ~~is~~ <sup>by</sup> a wholesale merchant plant, as  
10 defined in s. 196.491 (1) (w); ~~is~~ <sup>by</sup> an electric cooperative assessed under ss. 76.07 and  
11 76.48, respectively; or ~~is~~ <sup>by</sup> a municipal electric company under s. 66.0825.

12 (b) Subject to pars. (c) and (d), each municipality entitled to a payment under  
13 par. (a) and, subject to pars. (c) and (e), each county in which such a municipality is  
14 located shall receive a payment equal to a portion of an amount that is equal to the  
15 number of megawatts that represents the production plant's name-plate capacity,  
16 multiplied by \$2,000.

17 (c) 1. If the production plant is located in a city or village, the city or village  
18 receives a payment equal to two-thirds of the amount determined under par. (b) and  
19 the county in which the city or village is located receives a payment equal to  
20 one-third of the amount determined under par. (b). If the production plant is located  
21 in a town, the town receives a payment equal to one-third of the amount determined  
22 under par. (b), and the county in which the town is located receives a payment equal  
23 to two-thirds of the amount determined under par. (b). If a municipality is located  
24 in more than one county, the county in which the production plant is located shall  
25 receive the county portion of the payment.

**BILL**

1           2. For the purpose of determining the amount of the payment under par. (b),  
2 if a production plant is located in more than one municipality, the name-plate  
3 capacity of the production plant is attributable to the municipality in which the  
4 majority of the plant is physically located and the payment amount that would result  
5 under par. (b) as if there are no other plants in that municipality shall be divided  
6 among the municipalities in which the plant is located based on the net book value  
7 of that portion of the plant located in each municipality as of December 31, 2004, or  
8 as of the date on which the plant is operational, whichever is later.

9           (d) The total amount distributable to a municipality under this subsection shall  
10 not exceed the following:

11           1. For the distribution in 2005, an amount equal to the municipality's  
12 population multiplied by \$450.

13           2. For the distribution in 2006, an amount equal to the municipality's  
14 population multiplied by \$650.

15           3. For the distribution in 2007, an amount equal to the municipality's  
16 population multiplied by \$950.

17           4. For the distribution in 2008 and subsequent years, an amount equal to the  
18 municipality's population multiplied by \$1,200.

19           (e) The total amount distributable to a county under this subsection shall not  
20 exceed the following:

21           1. For the distribution in 2005, an amount equal to the county's population  
22 multiplied by \$225.

23           2. For the distribution in 2006, an amount equal to the county's population  
24 multiplied by \$325.

**BILL**

1           3. For the distribution in 2007, an amount equal to the county's population  
2 multiplied by \$475.

3           4. For the distribution in 2008 and subsequent years, an amount equal to the  
4 county's population multiplied by \$600.

5           **SECTION 11.** 79.04 (7) of the statutes is created to read:

6           79.04 (7) (a) Subject to sub. (6) (e), beginning with payments in 2005, if a  
7 production plant, as described in sub. (6) (a), other than a nuclear-powered  
8 production plant, is built on the site of, or on a site adjacent to, an existing or  
9 decommissioned production plant; or is built on a site purchased by a public utility  
10 before January 1, 1980, that was identified in an advance plan as a proposed site for  
11 a production plant; or is built on, or on a site adjacent to, brownfields, as defined in  
12 s. 560.13 (1) (a), after December 31, 2003, and is operating at a name-plate capacity  
13 of at least one megawatt, each municipality and county in which such a production  
14 plant is located shall receive annually from the public utility account a payment in  
15 an amount that is equal to the number of megawatts that represents the production  
16 plant's name-plate capacity, multiplied by \$600.

17           (b) Subject to sub. (6) (e), beginning with payments in 2005, if a production  
18 plant, as described in sub. (6) (a), that is a baseload electric generating facility, as  
19 determined by the public service commission, is built after December 31, 2003, and  
20 is operating at a name-plate capacity of at least 50 megawatts, each municipality  
21 and county in which such a production plant is located shall receive annually from  
22 the public utility account a payment in an amount that is equal to the number of  
23 megawatts that represents the production plant's name-plate capacity, multiplied  
24 by \$1,000.

**BILL**

1 (c) Subject to sub. (6) (e), beginning with payments in 2005, if a production  
2 plant, as described in sub. (6) (a), that derives energy from a renewable resource, as  
3 defined in s. 196.378 (1) (h), is built after December 31, 2003, and is operating at a  
4 name-plate capacity of at least one megawatt, each municipality and county in  
5 which such a production plant is located shall receive annually from the public utility  
6 account a payment in an amount that is equal to the number of megawatts that  
7 represents the production plant's name-plate capacity, multiplied by \$1,000.

8 **SECTION 12.** 196.20 (7) of the statutes is created to read:

9 196.20 (7) (a) In this subsection, "mitigation payment" means an amount paid  
10 to a municipality in which an electric generating facility is located to mitigate the  
11 effects of the facility on the municipality.

12 (b) Except as provided in par. (c), an electric public utility may not recover in  
13 rates any of the following:

14 1. The cost of mitigation payments paid by the utility.

15 2. The cost of mitigation payments paid by the owner or operator of an electric  
16 generating facility that the owner or operator recovers from the utility by selling  
17 electricity to the utility, by leasing the facility to the utility, or by any agreement  
18 between the owner or operator of the electric generating facility and the public  
19 utility.

20 (c) Paragraph (b) does not apply to any public utility for which the commission  
21 has determined that an application for a certificate under s. 196.491 (3) is complete  
22 prior to the effective date of this paragraph .... [revisor inserts date].

23 **SECTION 13. Initial applicability.**

24 (1) This act first applies to distributions made on the 4th Monday in July 2005.

25 (END)

## Emery, Lynn

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**From:** Emery, Lynn  
**Sent:** Wednesday, May 21, 2003 1:12 PM  
**To:** Sen.Cowles  
**Subject:** LRB-2735/2 (attached as requested)



03-2735/2

Lynn Emery  
Program Assistant  
Legislative Reference Bureau  
608-266-3561  
[lynn.emery@legis.state.wi.us](mailto:lynn.emery@legis.state.wi.us)



5-21-03

conference call with David Lovell,  
Jennifer Halbur, Brett Healy, and John  
Molzenberg

① — per capita cap

▷ current law cap on the base payment

no cap on the ~~base~~ payments  
— incentive

▷ cap to apply to the combined payments

under current law and under sub.(6)

② p 7 l 25 — "undergo" — require?

p 8 l 4 (other) "has" rather than "operating at"

p. 10-6 refer to .(6)(e) — delete

▷ 79.04(1)(c) 3. — repealed

2735/2 \* 2736/1



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-2735/2

JK:wlj:rs

3

2003 BILL

PM not R

in 5-21-03

due Thurs  
5-22  
AM

- re gear

1 AN ACT to amend 20.835 (1) (d), 79.04 (1) (intro.), 79.04 (2) (a) and 79.04 (4); and  
2 to create 20.835 (1) (dm), 79.005 (4), 79.01 (2m), 79.04 (3m), 79.04 (5), 79.04 (6),  
3 79.04 (7) and 196.20 (7) of the statutes; relating to: payments to local  
4 governments for public utilities and making an appropriation.

**Analysis by the Legislative Reference Bureau**

Under current law, generally, the property of a public utility is subject to a state tax rather than local property taxes. Instead of collecting property taxes on public utility property, municipalities and counties receive payments from the shared revenue account based on the value of public utility property located in the municipalities and counties. The amount of a municipality's payment is equal to the value of public utility property located in the municipality, not exceeding \$125,000,000 for each utility, multiplied by either three mills, for a town, or six mills, for a city or village. However, the payment may not exceed an amount that is equal to \$300 multiplied by the municipality's population. The amount of a county's payment is equal to the value of public utility property located in each municipality within the county, not exceeding \$125,000,000 for each utility, multiplied by either three mills, for a city or village located within the county, or six mills, for a town located within the county. However, the amount of the county's payment may not exceed an amount that is equal to \$100 multiplied by the county's population.

Under this bill, for public utilities that begin operation before January 1, 2004, municipalities and counties in which such utilities are located will continue to receive payments from the shared revenue account as described above. Under the

**BILL**

bill, beginning in 2005, the payments to municipalities and counties related to public utility production plants that begin operation after December 31, 2003, are paid from the public utility distribution account, which is created by the bill, instead of from the shared revenue account, and the amount of such payments is based on the megawatt capacity of all production plants located in the municipality and county, rather than on the value of the public utility property multiplied by the municipality's or county's mill rate. If a production plant is located in a city or village, the city or village in which the plant is located receives two-thirds of the amount of the payment determined by megawatt capacity, and the county in which the plant is located receives one-third of the amount of the payment determined by megawatt capacity. If a production plant is located in a town, the town in which the plant is located receives one-third of the amount of the payment determined by megawatt capacity, and the county in which the plant is located receives two-thirds of the amount of the payment determined by megawatt capacity. The total payment is equal to the production plant's megawatt capacity multiplied by \$2,000.

~~The total amount of such payments to a municipality, however, may not exceed the following: 1) in 2005, an amount equal to the municipality's population multiplied by \$450; 2) in 2006, an amount equal to the municipality's population multiplied by \$650; 3) in 2007, an amount equal to the municipality's population multiplied by \$950; and 4) in 2008 and subsequent years, an amount equal to the municipality's population multiplied by \$1,200. The total amount of such payments to a county may not exceed the following: 1) in 2005, an amount equal to the county's population multiplied by \$225; 2) in 2006, an amount equal to the county's population multiplied by \$325; 3) in 2007, an amount equal to the county's population multiplied by \$475; and 4) in 2008 and subsequent years, an amount equal to the county's population multiplied by \$600.~~

Under the bill, beginning in 2005, for production plants that begin operation after December 31, 2003, each municipality and county in which a production plant is located will receive additional payments based on the megawatt capacity of a production plant located in the municipality or county, if the production plant meets any of the following criteria: 1) it is not a nuclear-powered production plant and it is built on the site of, or adjacent to, an existing or decommissioned production plant, on the site of, or adjacent to, brownfields, or on a site purchased by a public utility before January 1, 1980, and identified in an advance plan as a proposed production plant site; 2) it is a baseload electric generating facility, as determined by the Public Service Commission; or 3) it is a production plant that derives energy from a renewable resource. The amount of the payment under this first criterion equals the production plant's megawatt capacity multiplied by \$600, and the amount of the payment under the second and third criteria is equal to the production plant's megawatt capacity multiplied by \$1,000.

Under current law, if public utility property is decommissioned and thereby subject to local property taxes, the municipalities and counties in which the property is located no longer receive shared revenue payments based on the value of that property. Under the bill, shared revenue payments related to decommissioned utility property are phased out over five years.

**BILL**

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

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

1           **SECTION 1.** 20.835 (1) (d) of the statutes is amended to read:

2           20.835 (1) (d) *Shared revenue account.* A sum sufficient to meet the  
3 requirements of the shared revenue account established under s. 79.01 (2) to provide  
4 for the distributions from the shared revenue account to counties, towns, villages and  
5 cities under ss. 79.03, 79.04 (1) to (4), and 79.06.

6           **SECTION 2.** 20.835 (1) (dm) of the statutes is created to read:

7           20.835 (1) (dm) *Public utility distribution account.* Beginning in 2005, a sum  
8 sufficient to make the payments under s. 79.04 (5), (6), and (7).

9           **SECTION 3.** 79.005 (4) of the statutes is created to read:

10          79.005 (4) “Repowering” means any of the following:

11          (a) Replacing the boiler on an existing fossil fuel steam unit with a combustion  
12 turbine and heat recovery steam generator and reusing the steam turbine and heat  
13 rejection system.

14          (b) Adding a heat recovery steam generator to a simple cycle combustion  
15 turbine.

16          (c) Demolishing or abandoning an existing power generation unit and adding  
17 a new combustion turbine, heat recovery steam generator, and steam turbine.

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

19          79.01 (2m) There is established an account in the general fund entitled the  
20 “Public Utility Distribution Account,” referred to in this chapter as the “public utility

**BILL**

1 account.” There shall be appropriated to the public utility account the sums specified  
2 in s. 79.04 (5), (6), and (7).

3 **SECTION 5.** 79.04 (1) (intro.) of the statutes is amended to read:

4 79.04 (1) (intro.) Annually, for production plants that begin operation before  
5 January 1, 2004, other than plants that undergo repowering after December 31,  
6 2003, the department of administration, upon certification by the department of  
7 revenue, shall distribute to a municipality having within its boundaries a production  
8 plant or a general structure, including production plants and general structures  
9 under construction, used by a light, heat, or power company assessed under s. 76.28  
10 (2) or 76.29 (2), except property described in s. 66.0813 unless the production plant  
11 is owned or operated by a local governmental unit located outside of the municipality,  
12 or by an electric cooperative assessed under ss. 76.07 and 76.48, respectively, or by  
13 a municipal electric company under s. 66.0825 the amount determined as follows:

INSERT  
413

14 **SECTION 6.** 79.04 (2) (a) of the statutes is amended to read:

15 79.04 (2) (a) Annually, for production plants that begin operation before  
16 January 1, 2004, other than plants that undergo repowering after December 31,  
17 2003, the department of administration, upon certification by the department of  
18 revenue, shall distribute from the shared revenue account to any county having  
19 within its boundaries a production plant or a general structure, including production  
20 plants and general structures under construction, used by a light, heat or power  
21 company assessed under s. 76.28 (2) or 76.29 (2), except property described in s.  
22 66.0813 unless the production plant is owned or operated by a local governmental  
23 unit that is located outside of the municipality in which the production plant is  
24 located, or by an electric cooperative assessed under ss. 76.07 and 76.48, respectively,  
25 or by a municipal electric company under s. 66.0825 an amount determined by

**BILL**

1 multiplying by 6 mills in the case of property in a town and by 3 mills in the case of  
 2 property in a city or village the first \$125,000,000 of the amount shown in the  
 3 account, plus leased property, of each public utility except qualified wholesale  
 4 electric companies, as defined in s. 76.28 (1) (gm), on December 31 of the preceding  
 5 year for either “production plant, exclusive of land” and “general structures”, or  
 6 “work in progress” for production plants and general structures under construction,  
 7 in the case of light, heat and power companies, electric cooperatives or municipal  
 8 electric companies, for all property within the municipality in accordance with the  
 9 system of accounts established by the public service commission or rural  
 10 electrification administration, less depreciation thereon as determined by the  
 11 department of revenue and less the value of treatment plant and pollution  
 12 abatement equipment, as defined under s. 70.11 (21) (a), as determined by the  
 13 department of revenue plus an amount from the shared revenue account determined  
 14 by multiplying by 6 mills in the case of property in a town, and 3 mills in the case of  
 15 property in a city or village, of the total original cost of production plant, general  
 16 structures and work-in-progress less depreciation, land and approved waste  
 17 treatment facilities of each qualified wholesale electric company, as defined in s.  
 18 76.28 (1) (gm), as reported to the department of revenue of all property within the  
 19 municipality. The total of amounts, as depreciated, from the accounts of all public  
 20 utilities for the same production plant is also limited to not more than \$125,000,000.

21 The amount distributable to a county<sup>y</sup> in any year shall not exceed \$100 times the  
 22 population of the county. under this subsection and sub(6)

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

24 **79.04 (3m)** For purposes of determining the amount of the payments under  
 25 subs. (1) and (2), the payments for a municipality and county in which an ash disposal

**BILL****SECTION 7**

1 facility is operating prior to the effective date of this subsection .... [revisor inserts  
2 date], shall be calculated to include an amount that is equal to the net book value of  
3 the ash disposal facility multiplied by 2.

4 **SECTION 8.** 79.04 (4) of the statutes is amended to read:

5 79.04 (4) (a) Annually, in addition to the ~~amount~~ amounts distributed under  
6 ~~sub. (1)~~ subs. (1), (5), (6), and (7), the department of administration shall distribute  
7 \$50,000 to a municipality if spent nuclear fuel is stored within the municipality on  
8 December 31 of the preceding year. If a spent nuclear fuel storage facility is located  
9 within one mile of a municipality, that municipality shall receive \$10,000 annually  
10 and the municipality where that storage facility is located shall receive \$40,000  
11 annually.

12 (b) Annually, in addition to the ~~amount~~ amounts distributed under ~~sub. (2)~~  
13 subs. (2), (5), (6), and (7), the department of administration shall distribute \$50,000  
14 to a county if spent nuclear fuel is stored within the county on December 31 of the  
15 preceding year. If a spent nuclear fuel storage facility is located at a production plant  
16 located in more than one county, the payment shall be apportioned according to the  
17 formula under sub. (1) (c) 2., except that the formula, as it applies to municipalities  
18 in that subdivision, applies to counties in this paragraph. The payment under this  
19 paragraph may not be less than \$10,000 annually.

20 **SECTION 9.** 79.04 (5) of the statutes is created to read:

21 79.04 (5) (a) Beginning with the distributions in 2005, if property that was  
22 exempt from the property tax under s. 70.112 (4) and that was used to generate power  
23 by a light, heat, or power company, except property under s. 66.0813, or by an electric  
24 cooperative, is decommissioned, the municipality shall be paid, from the public  
25 utility account, an amount calculated by subtracting an amount equal to the

**BILL**

1 property taxes paid for that property during the current year to the municipality for  
2 its general operations from the following percentages of the payment that the  
3 municipality received under this section during the last year that the property was  
4 exempt from the property tax:

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

10 (b) Beginning with the distributions in 2005, if property that was exempt from  
11 the property tax under s. 70.112 (4) and that was used to generate power by a light,  
12 heat, or power company, except property under s. 66.0813, or by an electric  
13 cooperative, is decommissioned, the county shall be paid, from the public utility  
14 account, an amount calculated by subtracting an amount equal to the property taxes  
15 paid for that property during the current year to the county for its general operations  
16 from the following percentages of the payment the county received under this section  
17 during the last year that the property was exempt from the property tax:

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

23 **SECTION 10.** 79.04 (6) of the statutes is created to read:

24 79.04 (6) (a) Annually, beginning in 2005, for production plants that begin  
25 operation after December 31, 2003, or undergo repowering after December 31, 2003,



## BILL

## SECTION 10

1 the department of administration, upon certification by the department of revenue,  
2 shall distribute payments from the public utility account, as determined under par.  
3 (b), to each municipality and county in which a production plant is located, if the  
4 production plant ~~is operating~~ <sup>has</sup> a name-plate capacity of at least one megawatt and  
5 is used by a light, heat, or power company assessed under s. 76.28 (2) or 76.29 (2),  
6 except property described in s. 66.0813, unless the production plant is owned or  
7 operated by a local governmental unit located outside of the municipality; by a  
8 qualified wholesale electric company, as defined in s. 76.28 (1) (gm); by a wholesale  
9 merchant plant, as defined in s. 196.491 (1) (w); by an electric cooperative assessed  
10 under ss. 76.07 and 76.48, respectively; or by a municipal electric company under s.  
11 66.0825.

12 (b) Subject to pars. (c) and (d), each municipality entitled to a payment under  
13 par. (a) and, ~~subject to pars. (c) and (d),~~ each county in which such a municipality is  
14 located shall receive a payment equal to a portion of an amount that is equal to the  
15 number of megawatts that represents the production plant's name-plate capacity,  
16 multiplied by \$2,000.

17 (c) 1. If the production plant is located in a city or village, the city or village  
18 receives a payment equal to two-thirds of the amount determined under par. (b) and  
19 the county in which the city or village is located receives a payment equal to  
20 one-third of the amount determined under par. (b). If the production plant is located  
21 in a town, the town receives a payment equal to one-third of the amount determined  
22 under par. (b), and the county in which the town is located receives a payment equal  
23 to two-thirds of the amount determined under par. (b). If a municipality is located  
24 in more than one county, the county in which the production plant is located shall  
25 receive the county portion of the payment.

**BILL**

1           2. For the purpose of determining the amount of the payment under par. (b),  
 2 if a production plant is located in more than one municipality, the name-plate  
 3 capacity of the production plant is attributable to the municipality in which the  
 4 majority of the plant is physically located and the payment amount that would result  
 5 under par. (b) as if there are no other plants in that municipality shall be divided  
 6 among the municipalities in which the plant is located based on the net book value  
 7 of that portion of the plant located in each municipality as of December 31, 2004, or  
 8 as of the date on which the plant is operational, whichever is later.

*and sub<sup>(1)</sup> in any year*

9           (d) The total amount distributable to a municipality under this subsection shall  
 10 not exceed ~~the following~~ **No ff**

11       ~~1. For the distribution in 2005, an amount equal to the municipality's~~  
 12 population multiplied by ~~\$450~~ **\$300**, and the **No ff**

13       ~~2. For the distribution in 2006, an amount equal to the municipality's~~  
 14 population multiplied by ~~\$650~~.

15       ~~3. For the distribution in 2007, an amount equal to the municipality's~~  
 16 population multiplied by ~~\$950~~.

17       ~~4. For the distribution in 2008 and subsequent years, an amount equal to the~~  
 18 municipality's population multiplied by ~~\$1,200~~.

*and sub<sup>(2)</sup> in any year*

19       ~~(e) The total amount distributable to a county under this subsection shall not~~  
 20 exceed ~~the following~~

21       ~~1. For the distribution in 2005, an amount equal to the county's population~~  
 22 multiplied by ~~\$200~~ **\$100**

23       ~~2. For the distribution in 2006, an amount equal to the county's population~~  
 24 multiplied by ~~\$325~~.

**BILL**

1 3. For the distribution in 2007, an amount equal to the county's population  
2 multiplied by \$475.

3 4. For the distribution in 2008 and subsequent years, an amount equal to the  
4 county's population multiplied by \$600.

5 **SECTION 11.** 79.04 (7) of the statutes is created to read:

6 79.04 (7) (a) ~~Subject to sub. (6) (a),~~ beginning with payments in 2005, if a  
7 production plant, as described in sub. (6) (a), other than a nuclear-powered  
8 production plant, is built on the site of, or on a site adjacent to, an existing or  
9 decommissioned production plant; or is built on a site purchased by a public utility  
10 before January 1, 1980, that was identified in an advance plan as a proposed site for  
11 a production plant; or is built on, or on a site adjacent to, brownfields, as defined in  
12 s. 560.13 (1) (a), after December 31, 2003, and ~~is operating at~~ <sup>has</sup> a name-plate capacity  
13 of at least one megawatt, each municipality and county in which such a production  
14 plant is located shall receive annually from the public utility account a payment in  
15 an amount that is equal to the number of megawatts that represents the production  
16 plant's name-plate capacity, multiplied by \$600.

17 (b) ~~Subject to sub. (6) (a),~~ beginning with payments in 2005, if a production  
18 plant, as described in sub. (6) (a), that is a baseload electric generating facility, as  
19 determined by the public service commission, is built after December 31, 2003, and  
20 ~~is operating at~~ <sup>has</sup> a name-plate capacity of at least 50 megawatts, each municipality  
21 and county in which such a production plant is located shall receive annually from  
22 the public utility account a payment in an amount that is equal to the number of  
23 megawatts that represents the production plant's name-plate capacity, multiplied  
24 by \$1,000.

**BILL**

1 (c) ~~Subject to sub. (6)(a)~~ beginning with payments in 2005, if a production  
2 plant, as described in sub. (6) (a), that derives energy from a renewable resource, as  
3 defined in s. 196.378 (1) (h), is built after December 31, 2003, and ~~is operating at~~ <sup>has</sup> a  
4 name-plate capacity of at least one megawatt, each municipality and county in  
5 which such a production plant is located shall receive annually from the public utility  
6 account a payment in an amount that is equal to the number of megawatts that  
7 represents the production plant's name-plate capacity, multiplied by \$1,000.

8 **SECTION 12.** 196.20 (7) of the statutes is created to read:

9 196.20 (7) (a) In this subsection, "mitigation payment" means an amount paid  
10 to a municipality in which an electric generating facility is located to mitigate the  
11 effects of the facility on the municipality.

12 (b) Except as provided in par. (c), an electric public utility may not recover in  
13 rates any of the following:

14 1. The cost of mitigation payments paid by the utility.

15 2. The cost of mitigation payments paid by the owner or operator of an electric  
16 generating facility that the owner or operator recovers from the utility by selling  
17 electricity to the utility, by leasing the facility to the utility, or by any agreement  
18 between the owner or operator of the electric generating facility and the public  
19 utility.

20 (c) Paragraph (b) does not apply to any public utility for which the commission  
21 has determined that an application for a certificate under s. 196.491 (3) is complete  
22 prior to the effective date of this paragraph .... [revisor inserts date].

23 **SECTION 13. Initial applicability.**

24 (1) This act first applies to distributions made on the 4th Monday in July 2005.

25 (END)

INSERT 4-13

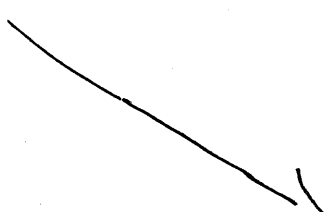
Section #. 79.04 (1) (a) <sup>↓</sup> of the statutes is amended to read:

79.04 (1) (a) An amount from the shared revenue account determined by multiplying by 3 mills in the case of a town, and 6 mills in the case of a city or village, the first \$125,000,000 of the amount shown in the account, plus leased property, of each public utility except qualified wholesale electric companies, as defined in s. 76.28 (1) (gm), on December 31 of the preceding year for either "production plant, exclusive of land" and "general structures", or "work in progress" for production plants and general structures under construction, in the case of light, heat and power companies, electric cooperatives or municipal electric companies, for all property within a municipality in accordance with the system of accounts established by the public service commission or rural electrification administration, less depreciation thereon as determined by the department of revenue and less the value of treatment plant and pollution abatement equipment, as defined under s. 70.11 (21) (a), as determined by the department of revenue plus an amount from the shared revenue account determined by multiplying by 3 mills in the case of a town, and 6 mills in the case of a city or village, of the first \$125,000,000 of the total original cost of production plant, general structures and work-in-progress less depreciation, land and approved waste treatment facilities of each qualified wholesale electric company, as defined in s. 76.28 (1) (gm), as reported to the department of revenue of all property within the municipality. The total of amounts, as depreciated, from the accounts of all public utilities for the same production plant is also limited to not more than \$125,000,000. The amount distributable to a municipality in any year shall not exceed \$300 times the population of the municipality. under this subsection and sub(6)

History: 1971 c. 125, 215; 1973 c. 90 ss. 387, 391g; 1973 c. 243 s. 82; 1975 c. 39, 224; 1977 c. 29, 418; 1979 c. 34; 1983 a. 27; 1985 a. 29, 39; 1987 a. 27; 1989 a. 31; 1993 a. 16, 307; 1995 a. 27; 1999 a. 150 s. 672; 2001 a. 16; 2001 a. 30 s. 108.

*See # 79.04 (1) (c) 73*

*and 73*



INSERT 4-3

Section #. 79.04 (1) (c) 1. of the statutes is amended to read:

79.04 (1) (c) 1. The payment for any municipality in which a production plant is located, which the public service commission certifies to the department of revenue will produce a nominal rated capacity of 200 megawatts or more, shall be no less than \$75,000 annually, except that the amount distributable to a municipality in any year shall not exceed the per capita limit specified in par. (a).

~~Payments under this paragraph may be extended to decommissioned production plants as provided in subd. 3.~~

History: 1971 c. 125, 215; 1973 c. 90 ss. 387, 391g; 1973 c. 243 s. 82; 1975 c. 39, 224; 1977 c. 29, 418; 1979 c. 34; 1983 a. 27; 1985 a. 29, 39; 1987 a. 27; 1989 a. 31; 1993 a. 16, 307; 1995 a. 27; 1999 a. 150 s. 672; 2001 a. 16; 2001 a. 30 s. 108.

→ Sec #. rep; 79.01(1)(c)3.

end of insert