

2005 DRAFTING REQUEST

Bill

Received: 12/21/2005

Received By: agary

Wanted: As time permits

Identical to LRB:

For: Eugene Hahn (608) 266-3404

By/Representing: Mike Austin (aide)

This file may be shown to any legislator: NO

Drafter: agary

May Contact:

Addl. Drafters: jkreye

Subject: Transportation - miscellaneous
Tax, Other - sales

Extra Copies: PJH

Submit via email: YES

Requester's email: Rep.Hahn@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Reducing general transportation aids by levy limit excess determined by department of revenue; vehicle sales tax

Instructions:

See Attached

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>
/?	agary 12/27/2005 jkreye 12/27/2005	kfollett 01/05/2006		_____			S&L
/1			rschluet 01/06/2006	_____	Inorthro 01/06/2006		State
/2	agary	kfollett	rschluet	_____	sbasford	lemery	

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	01/17/2006	01/17/2006	01/17/2006 _____		01/17/2006	01/17/2006	

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/1			rschlue 01/06/2006	_____	lnorthro 01/06/2006		State
/2	agary	kfollett	rschlue	_____	sbasford		

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/?	agary 12/27/2005 jkreye 12/27/2005	kfollett 01/05/2006 12/15/05 1/17/06		_____ _____ _____ _____			S&L
/1			rschluet 01/06/2006	_____ _____ _____	Inorthro 01/06/2006		

Handwritten signatures and initials:
A large signature 'S' is written over the 'Typed' and 'Proofed' columns for the /1 version.
The date '1/17/06' is written below the signature.

EE Sent For:

<END>

2005 DRAFTING REQUEST

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Received: 12/21/2005

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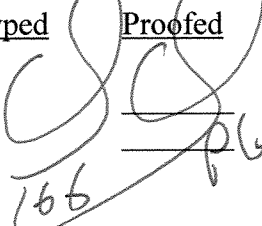

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/?	agary	1/1/05 1/5/05 jgf	 166	 166			S&L

FE Sent For:

<END>

Gary, Aaron

From: Gary, Aaron
Sent: Monday, December 19, 2005 2:45 PM
To: Austin, Michael
Subject: RE: Drafting request

Hi Mike,

Item 2) is already covered in SA3 to SB-331. For item 3), no drafting is needed because current law does not allow reduction - under current law, local aids increase or remain flat, they can't go down. For item 1), Joe Kreye will be the drafter and I will coordinate with him. I will draft item 4).

Aaron

Aaron R. Gary
Legislative Attorney
Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

From: Austin, Michael
Sent: Monday, December 19, 2005 2:28 PM
To: Gary, Aaron
Subject: Drafting request

Aaron:

Thanks again for your help in drafting that amendment for SB 331. In the end my boss decided not to introduce it but to work on separate legislation that addresses funding for transportation projects.

Could we please have something drafted that:

- 1) Allocates the sales tax collections from motor vehicle parts to the Transportation fund
- 2) Prevents transfers from the transportation fund
- 3) Local Road Aids will not be reduced. Nothing to deal with inflation just no reduction.
- 4) Delete 86.30(2)dm: Fiscal limits aid reductions

This paragraph allows the Sec. of Revenue to reduce aid paid to a county.

Please let me know if you have any questions or if someone else will be drafting this proposal. Thanks.

Mike Austin
Office of Rep. Hahn
(608) 266-3404

Handwritten signature/initials: & Jk:lgf

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

Handwritten note in a circle: hr 12-27-05

Handwritten note in a circle: 500N

Handwritten note in an oval: INSERT 1-1

1 AN ACT ...; relating to: general transportation aids to local governments.

Analysis by the Legislative Reference Bureau

Handwritten note in a circle: INSERT A

Handwritten number: 2

Under current law, the Department of Transportation (DOT) administers a general transportation aids program that, from a specified amount of total aid for all counties, makes aid payments to each county based upon a share-of-costs formula. However, with exceptions (including the exception described below), a county's annual share of aid may not increase more than 15 percent or decrease more than two percent from the prior year, regardless of the results of the share-of-costs formula calculation. These aids are paid in quarterly installments on a calendar-year basis and, if aid adjustments are necessary, DOT may adjust any of the scheduled quarterly aid payments to a county. Counties must use these aids for transportation-related expenditures.

Also under current law, except when approved by a referendum, no county may impose an operating levy at an operating levy rate that exceeds the greater of .001 or the operating levy rate in 1992. If the Department of Revenue (DOR) determines that a county has exceeded this limit, DOR must reduce the amount of shared revenue payments to the county by the amount of revenue exceeding the limit (the penalized excess). If this reduction in shared revenue payments is insufficient to fully recover the penalized excess, DOR must request DOT to reduce general transportation aid payments to the county by an amount needed to recover as much as possible of the remainder of the penalized excess. Upon request by DOR, DOT must reduce general transportation aid payments to the county by the amount specified by DOR, and the amount of this reduction is lapsed to the transportation fund.

Under this bill, a county's general transportation aids payments are not reduced for purposes of recovering the penalized excess.

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

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

~~PER ARG~~

INTEND B

1 SECTION 1. 59.605 (4) (b) of the statutes is repealed.

2 SECTION 2. 86.30 (2) (a) 1. of the statutes is amended to read:

3 86.30 (2) (a) 1. Except as provided in pars. (b), and (d) and ~~(dm)~~ and s. 86.303,
4 the amount of transportation aids payable by the department to each county shall
5 be the aids amount calculated under subd. 2. and to each municipality shall be the
6 aids amount calculated under subd. 2. or 3., whichever is greater. If the amounts
7 calculated for a municipality under subd. 2. or 3. are the same, transportation aids
8 to that municipality shall be paid under subd. 2.

History: 1977 c. 29; 1979 c. 32 s. 92 (1); 1979 c. 34 ss. 934b, 2102 (52) (a); 1981 c. 20, 248; 1983 a. 27; 1985 a. 29 ss. 1604 to 1616r; 3202 (51); 1987 a. 27; 1989 a. 31; 1991 a. 39, 269; 1993 a. 16; 1995 a. 113, 338; 1997 a. 27; 1999 a. 9; 1999 a. 150 s. 672; 2001 a. 16; 2003 a. 33; 2005 a. 25.

9 SECTION 3. 86.30 (2) (b) 1r. of the statutes is amended to read:

10 86.30 (2) (b) 1r. Except as provided under s. 86.303, no county may receive an
11 increase in its annual transportation aid payment in excess of 15% of its last previous
12 calendar year aid payment. Except as provided under par. ~~(dm)~~ and s. 86.303, no
13 county may receive a decrease in its annual transportation aid payment in excess of
14 2% of its last previous calendar year transportation aid payment.

History: 1977 c. 29; 1979 c. 32 s. 92 (1); 1979 c. 34 ss. 934b, 2102 (52) (a); 1981 c. 20, 248; 1983 a. 27; 1985 a. 29 ss. 1604 to 1616r; 3202 (51); 1987 a. 27; 1989 a. 31; 1991 a. 39, 269; 1993 a. 16; 1995 a. 113, 338; 1997 a. 27; 1999 a. 9; 1999 a. 150 s. 672; 2001 a. 16; 2003 a. 33; 2005 a. 25.

15 SECTION 4. 86.30 (2) (dm) of the statutes is repealed.

16 SECTION 5. Initial applicability.

17 (1) This act first applies to aid payments distributed on the effective date of this
18 subsection.

(END)

The treatment of sections 59.605(4)(b) and 86.30(2)(a) 1. and (b) 1r. of the statutes

change component to text ns: in app

2005 SENATE BILL 422

November 3, 2005 - Introduced by Senator REYNOLDS. Referred to Committee on Natural Resources and Transportation.

INDENT 1-1

1 AN ACT *to create* 25.40 (1) (bn) and 78.23 of the statutes; **relating to:** the annual
 2 adjustment of the motor vehicle fuel tax rate and depositing sales and use tax
 3 revenues from the sale or use of motor vehicle parts into the transportation
 4 fund *and*

Analysis by the Legislative Reference Bureau

Under current law, the rate of the motor vehicle fuel tax is annually adjusted by multiplying the tax rate by the percentage change in the annual average U.S. Consumer Price Index.

Under this bill, ~~if the motor vehicle fuel tax is no longer annually adjusted, annually, beginning in 2007, an amount from the sales and use taxes imposed on the sale or use of motor vehicle parts will be deposited into the transportation fund. That amount is equal to the difference between the amount of motor vehicle fuel taxes that would have been generated in the current fiscal year if the annual adjustment of the motor vehicle fuel tax was in effect and the amount of the motor vehicle fuel taxes actually generated in the current fiscal year.~~

me → Me

INSERT A

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

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

↓

SENATE BILL 422

SECTION 1

INSERT
B

1 SECTION 1. 25.40 (1) (bn) of the statutes is created to read:

2 25.40 (1) (bn) From the taxes imposed under ss. 77.52 and 77.53 on the sale or
3 use of motor vehicle parts, all moneys deposited under s. 78.23 (2).

4 SECTION 2. 78.23 of the statutes is created to read:

5 78.23 Deposit into the transportation fund. (1) Beginning in 2007, on or
6 before June 30 of each year, the department of revenue, ~~in consultation with the~~
7 ~~department of transportation,~~ shall determine ~~all of the following:~~

8 ~~(a) An estimate of the amount of the tax imposed under s. 78.01 that would have~~
9 ~~been generated in the current fiscal year if the tax rate under s. 78.01 had been~~
10 ~~adjusted annually through that year as provided under s. 78.015, 2003 stats.~~

11 ~~(b) An estimate of the amount of the tax imposed under s. 78.01 that was~~
12 ~~actually generated in the current fiscal year.~~

insert
C
13 no # (c) An estimate of the amount of taxes imposed under ss. 77.52 and 77.53 on
14 the sale or use of motor vehicle parts that were actually generated in the current
15 fiscal year.

16 (2) Beginning in 2007, on or before ~~June 30~~ ^{July 1} of each year, the amount calculated
17 ~~by subtracting~~ the amount determined under sub. (1) ~~(b)~~ from the amount
18 ~~determined under sub. (1) (a) not to exceed the amount determined under sub. (1)~~
19 ~~(a)~~ shall be deposited into the transportation fund.

20

(END)

INSERT
C

Gary, Aaron

From: Austin, Michael
Sent: Tuesday, January 17, 2006 9:23 AM
To: Gary, Aaron
Subject: RE: Drafting request

Aaron:

I need to make some changes to LRB 4282/1. Rep. Hahn wants to change the second part of the bill relating to DOR taking the penalized excess. He feels it is ok for DOR to take the funds if they go over the levy limits but he wants it to say specifically that, DOA, DOR, DOT or anyone else can remove GTA for any other reason.

Give me a call or respond to this e-mail when you get in this morning to give me a time frame when we can get this change done. Representative Hahn would like to send a co-sponsorship memo out today with the additional changes. Thank you.

Mike Austin
Office of Rep. Hahn
(608) 266-3404

1/17
H/c w/ Mike → can't

overpayments ok →

levy limit -
aid's ~~not~~ ok

• exceptions for overpayments, late reports,
& DOR excess levy ok to keep



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-4282/2
ARG&JK:kjf:fs

in 1/17

Wanted
by 1/18
end of day

RM R

D-Note

2005 BILL

Regen

1 AN ACT *to repeal* 59.605 (4) (b) and 86.30 (2) (dm); *to amend* 86.30 (2) (a) 1. and
2 86.30 (2) (b) 1r.; and *to create* 25.40 (1) (bn) and 78.23 of the statutes; **relating**
3 **to:** depositing sales and use tax revenues from the sale or use of motor vehicle
4 parts into the transportation fund and general transportation aids to local
5 governments.

Analysis by the Legislative Reference Bureau

Under this bill, annually, beginning in 2007, the amount of the sales and use taxes imposed on the sale or use of motor vehicle parts will be deposited into the transportation fund.

Under current law, the Department of Transportation (DOT) administers a general transportation aids program that, from a specified amount of total aid for all counties, makes aid payments to each county based upon a share-of-costs formula. However, with exceptions (including the exception described below), a county's annual share of aid may not increase more than 15 percent or decrease more than 2 percent from the prior year, regardless of the results of the share-of-costs formula calculation. These aids are paid in quarterly installments on a calendar-year basis and, if aid adjustments are necessary, DOT may adjust any of the scheduled quarterly aid payments to a county. Counties must use these aids for transportation-related expenditures.

Also under current law, except when approved by a referendum, no county may impose an operating levy at an operating levy rate that exceeds the greater of .001

insert ANAL

BILL

or the operating levy rate in 1992. If the Department of Revenue (DOR) determines that a county has exceeded this limit, DOR must reduce the amount of shared revenue payments to the county by the amount of revenue exceeding the limit (the penalized excess). If this reduction in shared revenue payments is insufficient to fully recover the penalized excess, DOR must request DOT to reduce general transportation aid payments to the county by an amount needed to recover as much as possible of the remainder of the penalized excess. Upon request by DOR, DOT must reduce general transportation aid payments to the county by the amount specified by DOR, and the amount of this reduction is lapsed to the transportation fund.

Under this bill, a county's general transportation aid payments are not reduced for purposes of recovering the penalized excess.

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

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

1 **SECTION 1.** 25.40 (1) (bn) of the statutes is created to read:

2 25.40 (1) (bn) From the taxes imposed under ss. 77.52 and 77.53 on the sale or
3 use of motor vehicle parts, all moneys deposited under s. 78.23 (2).

4 ~~**SECTION 2.** 59.605 (4) (b) of the statutes is repealed.~~

5 **SECTION 3.** 78.23 of the statutes is created to read:

6 **78.23 Deposit into the transportation fund.** (1) Beginning in 2007, on or
7 before June 30 of each year, the department of revenue shall determine an estimate
8 of the amount of taxes imposed under ss. 77.52 and 77.53 on the sale or use of motor
9 vehicle parts that were actually generated in the current fiscal year.

10 (2) Beginning in 2007, on July 1 of each year, the amount determined under
11 sub. (1) shall be deposited into the transportation fund.

12 ~~**SECTION 4.** 86.30 (2) (a) 1. of the statutes is amended to read:~~

13 86.30 (2) (a) 1. Except as provided in pars. (b), and (d) and (dm) and s. 86.303,
14 the amount of transportation aids payable by the department to each county shall

BILL

Insert
3-1 →

1 be the aids amount calculated under subd. 2. and to each municipality shall be the
2 aids amount calculated under subd. 2. or 3., whichever is greater. If the amounts
3 calculated for a municipality under subd. 2. or 3. are the same, transportation aids
4 to that municipality shall be paid under subd. 2.

5 **SECTION 5.** 86.30 (2) (b) 1r. of the statutes is amended to read:

6 86.30 (2) (b) 1r. Except as provided under s. 86.303, no county may receive an
7 increase in its annual transportation aid payment in excess of 15% of its last previous
8 calendar year aid payment. Except as provided under par. (dm) and s. 86.303, no
9 county may receive a decrease in its annual transportation aid payment in excess of
10 2% of its last previous calendar year transportation aid payment.

11 **SECTION 6.** 86.30 (2) (dm) of the statutes is repealed.

12 **SECTION 7. Initial applicability.**

13 (1) The treatment of sections 59.605 (4) (b) and 86.30 (2) (a) 1. and (b) 1r. of the
14 statutes first applies to aid payments distributed on the effective date of this
15 subsection.

16 (END)

D-Note

2005-2006 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4282/2ins
ARG:.....

INSERT ANAL:

city, Under current law, the Department of Transportation (DOT) administers a general transportation aids program that makes aid payments, from a total amount of aids established by statute, to each county based on a share-of-costs formula and to each village, ~~city~~, or town (municipality) based on the greater of a share-of-costs formula for municipalities or an aid rate per mile. There are restrictions on how much aid payments can increase or decrease as a result of the calculations or information used to determine aid payment distributions. Aid payments may also be reduced (or increased) to correct for a prior overpayment (or underpayment) of aids, as a penalty for failure to meet reporting deadlines and requirements with respect to information used to calculate aid payments, and, upon direction of the Department of Revenue (DOR), to a county that has imposed an operating levy in excess of the operating levy limit established by law. These general transportation aids are paid in quarterly installments on a calendar-year basis and, if aid adjustments are necessary, DOT may adjust any of the scheduled quarterly aid payments to a county or municipality. Counties and municipalities must use these aids for transportation-related expenditures.

This bill specifies that DOT may not adjust or reduce, and neither DOR nor the Department of Administration may require adjustment or reduction of, aid payments except for these reasons provided under current law.

INSERT 3-1:

SECTION 1. 86.30 (2) (e) of the statutes is amended to read:

86.30 (2) (e) *Aid payments.* General transportation aids under this section shall be calculated and distributed on the basis of a calendar year. General transportation aids shall be paid in 4 equal installments on the first Monday in January, April, July and October. If adjustments are necessary, the department may adjust any of the scheduled aid payments in a calendar year. The payments shall be made from the appropriation under s. 20.395 (1) (as) or (at) for the fiscal year in which the payments are made. The department may not adjust or reduce, and neither the

department of revenue nor the department of administration may require
adjustment or reduction of, aid payments under this section except as specifically
authorized under this subsection or s. 86.303 (5) or (7).

History: 1977 c. 29; 1979 c. 32 s. 92 (1); 1979 c. 34 ss. 934b, 2102 (52) (a); 1981 c. 20, 248; 1983 a. 27; 1985 a. 29 ss. 1604 to 1616r; 3202 (51); 1987 a. 27; 1989 a. 31; 1991 a. 39, 269; 1993 a. 16; 1995 a. 113, 338; 1997 a. 27; 1999 a. 9; 1999 a. 150 s. 672; 2001 a. 16; 2003 a. 33; 2005 a. 25.

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

LRB-4282/2dn

ARG.: *g f*

Date

ATTN: Mike Austin

Please review the attached draft carefully to ensure that it is consistent with your intent. As discussed, I don't believe that the attached draft actually changes current law with respect to general transportation aids.

Please let me know if you would like any changes made to the attached draft or if you have any questions.

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4282/2dn
ARG:kjfrs

January 17, 2006

ATTN: Mike Austin

Please review the attached draft carefully to ensure that it is consistent with your intent. As discussed, I don't believe that the attached draft actually changes current law with respect to general transportation aids.

Please let me know if you would like any changes made to the attached draft or if you have any questions.

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.state.wi.us

Emery, Lynn

From: Austin, Michael
Sent: Tuesday, January 17, 2006 3:17 PM
To: LRB.Legal
Subject: Draft Review: LRB 05-4282/2 Topic: This is a topic

Please Jacket LRB 05-4282/2 for the ASSEMBLY.