



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-1742/2³

MJL&JK:cjs:rs

TWLj

DOA:.....Ziegler, BB0431 - Using additional revenue collected from compliance with streamlined sales tax project for school aid

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

RM run

D-N

TODAY please

1 Do NOT GEN
AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under this bill, no later than September 30, 2006, DOR will estimate the amount of state sales and use tax revenue that will be collected for the 2005-07 fiscal biennium in excess of the amount of such revenue that, prior to that biennium and based, in part, on the assumption of compliance by sellers with the Streamlined Sales and Use Tax Agreement, DOR estimated would be collected for the biennium. That amount is then appropriated as general school aids for the 2006-07 fiscal year.

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:

2 SECTION 1. 13.101 (6) (a) of the statutes, as affected by 2003 Wisconsin Act 64,
3 is amended to read:

SECTION 1

1 13.101 (6) (a) As an emergency measure necessitated by decreased state
2 revenues and to prevent the necessity for a state tax on general property, the
3 committee may reduce any appropriation made to any board, commission,
4 department, or the University of Wisconsin System, or to any other state agency or
5 activity, by such amount as it deems feasible, not exceeding 25% of the
6 appropriations, except appropriations made by ss. 20.255 (2) (ac), (af), (bc), (bh), (cg),
7 (cr), and (r), 20.395 (1), (2) (cq), (eq) to (ex) and (gq) to (gx), (3), (4) (aq) to (ax), and
8 (6) (af), (aq), and (ar), 20.435 (6) (a) and (7) (da), and 20.445 (3) (a) and (dz) or for
9 forestry purposes under s. 20.370 (1), or any other moneys distributed to any county,
10 city, village, town, or school district. Appropriations of receipts and of a sum
11 sufficient shall for the purposes of this section be regarded as equivalent to the
12 amounts expended under such appropriations in the prior fiscal year which ended
13 June 30. All functions of said state agencies shall be continued in an efficient
14 manner, but because of the uncertainties of the existing situation no public funds
15 should be expended or obligations incurred unless there shall be adequate revenues
16 to meet the expenditures therefor. For such reason the committee may make
17 reductions of such appropriations as in its judgment will secure sound financial
18 operations of the administration for said state agencies and at the same time
19 interfere least with their services and activities.

20 **SECTION 2.** 16.50 (1) (b) of the statutes is amended to read:

21 16.50 (1) (b) This subsection does not apply to appropriations under ss. 20.255
22 (2) (ac) ~~and, (af), and (r)~~, 20.835, and 20.865 (4).

23 **SECTION 3.** 16.52 (10) of the statutes is amended to read:

1 16.52 (10) DEPARTMENT OF PUBLIC INSTRUCTION. The provisions of sub. (2) with
2 respect to refunds and sub. (5) (a) with respect to reimbursements for the prior fiscal
3 year shall not apply to the appropriations under s. 20.255 (2) (ac) and, (af), and (r).

4 **SECTION 4.** 20.255 (2) (af) of the statutes is created to read:

5 20.255 (2) (af) *General equalization aids; supplement.* A sum sufficient equal
6 to the amount determined under 2005 Wisconsin Act (this act), section 9141 (1)
7 for the payment of educational aids under ss. 121.08, 121.09, 121.095, and 121.105
8 and subch. VI of ch. 121. No moneys may be encumbered or expended from this
9 appropriation after June 30, 2007.

 ****NOTE: This SECTION involves a change in an appropriation that must be
 reflected in the revised schedule in s. 20.005, stats.

10 **SECTION 5.** 118.153 (4) (b) of the statutes is amended to read:

11 118.153 (4) (b) Upon receipt of a school board's annual report under par. (a) the
12 state superintendent shall pay to the school district from the appropriation under s.
13 20.255 (2) (bc), for each pupil enrolled in a program for children at risk who achieved
14 at least 3 of the objectives under par. (c) in the previous school year, additional state
15 aid in an amount equal to 10% of the school district's average per pupil aids provided
16 under s. 20.835 (7) (a), 1991 stats., and s. 20.255 (2) (ac) and, (af), and (r) in the
17 previous school year.

18 **SECTION 6.** 119.23 (4) (b) 2. of the statutes is amended to read:

19 119.23 (4) (b) 2. The amount paid per pupil under this paragraph in the
20 previous school year multiplied by the sum of 1.0 plus the percentage change from
21 the previous school year to the current school year in the total amount appropriated
22 under s. 20.255 (2) (ac) and, (af) and (r) expressed as a decimal, but not less than zero.

23 **SECTION 7.** 121.007 of the statutes is amended to read:

1 **121.007 Use of state aid; exemption from execution.** All moneys paid to
2 a school district under s. 20.255 (2) (ac), (af), (bc), (cg), ~~(er)~~, and (r) shall be used by
3 the school district solely for the purposes for which paid. Such moneys are exempt
4 from execution, attachment, garnishment, or other process in favor of creditors,
5 except as to claims for salaries or wages of teachers and other school employees and
6 as to claims for school materials, supplies, fuel, and current repairs.

7 **SECTION 8.** 121.07 (7) (b) of the statutes is amended to read:

8 121.07 (7) (b) The "secondary guaranteed valuation per member" is an amount,
9 rounded to the next lower dollar, that, after subtraction of payments under ss. 121.09
10 and 121.85 (6) (b) 2. and 3. and (c), fully distributes an amount equal to the amount
11 remaining in the appropriations under s. 20.255 (2) (ac) and, (af), and (r).

12 **SECTION 9.** 121.08 (4) (a) (intro.), 2. and 3. of the statutes are amended to read:

13 121.08 (4) (a) (intro.) The amount of state aid that a school district is eligible
14 to be paid from the appropriations under s. 20.255 (2) (ac) and, (af), and (r) shall be
15 reduced by the amount determined as follows:

16 2. Divide the sum under subd. 1. by the total amount of state aid that all school
17 districts are eligible to be paid from the appropriations under s. 20.255 (2) (ac) and,
18 (af), and (r), calculated as if the reduction under par. (b) had not occurred.

19 3. Multiply the amount of state aid that the school district is eligible to be paid
20 from the appropriations under s. 20.255 (2) (ac) and, (af), and (r), calculated as if the
21 reduction under par. (b) had not occurred, by the quotient under subd. 2.

22 **SECTION 10.** 121.08 (4) (b) of the statutes is amended to read:

23 121.08 (4) (b) The amount of state aid that the school district operating under
24 ch. 119 is eligible to be paid from the appropriations under s. 20.255 (2) (ac), (af), and

1 (r) shall also be reduced by 45% of the amounts paid under s. 119.23 (4) and (4m) in
2 the current school year.

3 **SECTION 11.** 121.09 (1) of the statutes is amended to read:

4 121.09 (1) If, on or after July 1, 1980, the tax appeals commission or a court
5 makes a final redetermination on the assessment of property subject to taxation
6 under s. 70.995 that is lower than the previous assessment, or if, on or after January
7 1, 1982, the state board of assessors makes a final redetermination on the
8 assessment of property subject to taxation under s. 70.995 that is lower than the
9 previous assessment, the school board of the school district in which the property is
10 located may, within 4 years after the date of the determination, decision, or
11 judgment, file the determination of the state board of assessors, the decision of the
12 tax appeals commission, or the judgment of the court with the state superintendent,
13 requesting an adjustment in state aid to the school district. If the state
14 superintendent determines that the determination, decision, or judgment is final
15 and that it has been filed within the 4-year period, the state shall pay to the school
16 district in the subsequent fiscal year, from the ~~appropriation~~ appropriations under
17 s. 20.255 (2) (ac) and (af), an amount equal to the difference between the state aid
18 computed under s. 121.08 for the school year commencing after the year subject to
19 the valuation recertification, using the school district's equalized valuation as
20 originally certified, and the state aid computed under s. 121.08 for that school year
21 using the school district's equalized valuation as recertified under s. 70.57 (2).

22 **SECTION 12.** 121.09 (2m) of the statutes is amended to read:

23 121.09 (2m) If after June 30, 1995, and before July 26, 2003, the state board
24 of assessors, the tax appeals commission, or a court makes a final redetermination
25 on the assessment of telephone company property subject to taxation under s. 70.112

1 (4) and subch. IV of ch. 76 that is lower than the previous assessment, the school
2 board of the school district in which the property is located may, within 4 years after
3 July 26, 2003, file the redetermination with the state superintendent, requesting an
4 adjustment in state aid to the school district. If the state superintendent determines
5 that the redetermination is final and that it has been filed within the 4-year period,
6 the state shall pay to the school district in the subsequent fiscal year, from the
7 ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and (af), an amount equal to the
8 difference between the state aid computed under s. 121.08 for the school year
9 commencing after the year subject to the valuation recertification, using the school
10 district's equalized valuation as originally certified, and the state aid computed
11 under s. 121.08 for that school year using the school district's equalized valuation as
12 recertified under s. 70.57 (2).

13 **SECTION 13.** 121.09 (2r) of the statutes is amended to read:

14 121.09 (2r) If after July 26, 2003, the state board of assessors, the tax appeals
15 commission, or a court makes a final redetermination on the assessment of telephone
16 company property subject to taxation under s. 70.112 (4) and subch. IV of ch. 76 that
17 is lower than the previous assessment, the school board of the school district in which
18 the property is located may, within 4 years after the redetermination, file the
19 redetermination with the state superintendent, requesting an adjustment in state
20 aid to the school district. If the state superintendent determines that the
21 redetermination is final and that it has been filed within the 4-year period, the state
22 shall pay to the school district in the subsequent fiscal year, from the ~~appropriation~~
23 appropriations under s. 20.255 (2) (ac) and (af), an amount equal to the difference
24 between the state aid computed under s. 121.08 for the school year commencing after
25 the year subject to the valuation recertification, using the school district's equalized

1 valuation as originally certified, and the state aid computed under s. 121.08 for that
2 school year using the school district's equalized valuation as recertified under s.
3 70.57 (2).

4 **SECTION 14.** 121.095 (2) of the statutes is amended to read:

5 121.095 (2) From the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and
6 (af), annually the department of public instruction shall pay to the department of
7 military affairs an amount equal to the sum of the reductions under sub. (1). The
8 department of public instruction shall ensure that the aid adjustment under sub. (1)
9 does not affect the amount determined to be received by a school district as state aid
10 under s. 121.08 or for any other purpose.

11 **SECTION 15.** 121.105 (3) of the statutes is amended to read:

12 121.105 (3) In the school year in which a school district consolidation takes
13 effect under s. 117.08 or 117.09 and in each of the subsequent 4 school years, the
14 consolidated school district's state aid shall be an amount that is not less than the
15 aggregate state aid received by the consolidating school districts in the school year
16 prior to the school year in which the consolidation takes effect. The additional state
17 aid shall be paid from the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and
18 (af).

19 **SECTION 16.** 121.15 (1m) (a) 3. of the statutes is amended to read:

20 121.15 (1m) (a) 3. Beginning in the 1999-2000 school year, annually the state
21 shall pay to school districts, from the ~~appropriation~~ appropriations under s. 20.255
22 (2) (ac) and (af), \$75,000,000 on the 4th Monday in July of the following school year.

23 **SECTION 17.** 121.85 (6) (e) of the statutes is amended to read:

24 121.85 (6) (e) *Sources of aid payments.* State aid under this section shall be
25 paid from the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and (af).

Date

Paul Ziegler

This draft reconciles LRB-609/1, LRB-1742, LRB-1814/2, LRB and LRB-1854/10. All of these bill drafts should continue to appear in the compiled bill.

MJC

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

LRB-1742/3dn
MJL:wlj:pg

January 25, 2005

Paul Ziegler:

This draft reconciles LRB-0609/1, LRB-1742, LRB-1814/2, and LRB-1854/1. All of these bill drafts should continue to appear in the compiled bill.

Madelon J. Lief
Senior Legislative Attorney
Phone: (608) 267-7380



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-1742/3
MJL&JK:cjs&wlj:pg

stays

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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:

2 SECTION 1. 16.50 (1) (b) of the statutes is amended to read:

3 16.50 (1) (b) This subsection does not apply to appropriations under ss. 20.255

4 (2) (ac) and, (af), and (r), 20.835, and 20.865 (4).

1 **SECTION 2.** 16.52 (10) of the statutes is amended to read:

2 16.52 (10) DEPARTMENT OF PUBLIC INSTRUCTION. The provisions of sub. (2) with
3 respect to refunds and sub. (5) (a) with respect to reimbursements for the prior fiscal
4 year shall not apply to the appropriations under s. 20.255 (2) (ac) ~~and, (af), and~~ (r).

5 **SECTION 3.** 20.255 (2) (af) of the statutes is created to read:

6 20.255 (2) (af) *General equalization aids; supplement.* A sum sufficient equal
7 to the amount determined under 2005 Wisconsin Act (this act), section 9141 (1)
8 for the payment of educational aids under ss. 121.08, 121.09, 121.095, and 121.105
9 and subch. VI of ch. 121. No moneys may be encumbered or expended from this
10 appropriation after June 30, 2007.

 ****NOTE: This SECTION involves a change in an appropriation that must be
 reflected in the revised schedule in s. 20.005, stats.

11 **SECTION 4.** 118.153 (4) (b) of the statutes is amended to read:

12 118.153 (4) (b) Upon receipt of a school board's annual report under par. (a) the
13 state superintendent shall pay to the school district from the appropriation under s.
14 20.255 (2) (bc), for each pupil enrolled in a program for children at risk who achieved
15 at least 3 of the objectives under par. (c) in the previous school year, additional state
16 aid in an amount equal to 10% of the school district's average per pupil aids provided
17 under s. 20.835 (7) (a), 1991 stats., and s. 20.255 (2) (ac) ~~and, (af), and~~ (r) in the
18 previous school year.

19 **SECTION 5.** 121.007 of the statutes is amended to read:

20 **121.007 Use of state aid; exemption from execution.** All moneys paid to
21 a school district under s. 20.255 (2) (ac), (af), (bc), (cg), ~~(er)~~, (qr), and (r) shall be used
22 by the school district solely for the purposes for which paid. Such moneys are exempt
23 from execution, attachment, garnishment, or other process in favor of creditors,

1 except as to claims for salaries or wages of teachers and other school employees and
2 as to claims for school materials, supplies, fuel, and current repairs.

3 **SECTION 6.** 121.08 (4) (a) (intro.), 2. and 3. of the statutes are amended to read:

4 121.08 (4) (a) (intro.) The amount of state aid that a school district is eligible
5 to be paid from the appropriations under s. 20.255 (2) (ac) ~~and~~, (af), and(r) shall be
6 reduced by the amount determined as follows:

7 2. Divide the sum under subd. 1. by the total amount of state aid that all school
8 districts are eligible to be paid from the appropriations under s. 20.255 (2) (ac) ~~and~~,
9 (af), and (r), calculated as if the reduction under par. (b) had not occurred.

10 3. Multiply the amount of state aid that the school district is eligible to be paid
11 from the appropriations under s. 20.255 (2) (ac) ~~and~~, (af), and (r), calculated as if the
12 reduction under par. (b) had not occurred, by the quotient under subd. 2.

13 **SECTION 7.** 121.08 (4) (b) of the statutes is amended to read:

14 121.08 (4) (b) The amount of state aid that the school district operating under
15 ch. 119 is eligible to be paid from the appropriations under s. 20.255 (2) (ac), (af), and
16 (r) shall also be reduced by 45% of the amounts paid under s. 119.23 (4) and (4m) in
17 the current school year.

18 **SECTION 8.** 121.09 (1) of the statutes is amended to read:

19 121.09 (1) If, on or after July 1, 1980, the tax appeals commission or a court
20 makes a final redetermination on the assessment of property subject to taxation
21 under s. 70.995 that is lower than the previous assessment, or if, on or after January
22 1, 1982, the state board of assessors makes a final redetermination on the
23 assessment of property subject to taxation under s. 70.995 that is lower than the
24 previous assessment, the school board of the school district in which the property is
25 located may, within 4 years after the date of the determination, decision, or

1 judgment, file the determination of the state board of assessors, the decision of the
2 tax appeals commission, or the judgment of the court with the state superintendent,
3 requesting an adjustment in state aid to the school district. If the state
4 superintendent determines that the determination, decision, or judgment is final
5 and that it has been filed within the 4-year period, the state shall pay to the school
6 district in the subsequent fiscal year, from the ~~appropriation~~ appropriations under
7 s. 20.255 (2) (ac) and (af), an amount equal to the difference between the state aid
8 computed under s. 121.08 for the school year commencing after the year subject to
9 the valuation recertification, using the school district's equalized valuation as
10 originally certified, and the state aid computed under s. 121.08 for that school year
11 using the school district's equalized valuation as recertified under s. 70.57 (2).

12 **SECTION 9.** 121.09 (2m) of the statutes is amended to read:

13 **121.09 (2m)** If after June 30, 1995, and before July 26, 2003, the state board
14 of assessors, the tax appeals commission, or a court makes a final redetermination
15 on the assessment of telephone company property subject to taxation under s. 70.112
16 (4) and subch. IV of ch. 76 that is lower than the previous assessment, the school
17 board of the school district in which the property is located may, within 4 years after
18 July 26, 2003, file the redetermination with the state superintendent, requesting an
19 adjustment in state aid to the school district. If the state superintendent determines
20 that the redetermination is final and that it has been filed within the 4-year period,
21 the state shall pay to the school district in the subsequent fiscal year, from the
22 ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and (af), an amount equal to the
23 difference between the state aid computed under s. 121.08 for the school year
24 commencing after the year subject to the valuation recertification, using the school
25 district's equalized valuation as originally certified, and the state aid computed

1 under s. 121.08 for that school year using the school district's equalized valuation as
2 recertified under s. 70.57 (2).

3 **SECTION 10.** 121.09 (2r) of the statutes is amended to read:

4 121.09 (2r) If after July 26, 2003, the state board of assessors, the tax appeals
5 commission, or a court makes a final redetermination on the assessment of telephone
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16 valuation as originally certified, and the state aid computed under s. 121.08 for that
17 school year using the school district's equalized valuation as recertified under s.
18 70.57 (2).

19 **SECTION 11.** 121.095 (2) of the statutes is amended to read:

20 121.095 (2) From the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and
21 (af), annually the department of public instruction shall pay to the department of
22 military affairs an amount equal to the sum of the reductions under sub. (1). The
23 department of public instruction shall ensure that the aid adjustment under sub. (1)
24 does not affect the amount determined to be received by a school district as state aid
25 under s. 121.08 or for any other purpose.

1 **SECTION 12.** 121.105 (3) of the statutes is amended to read:

2 121.105 (3) In the school year in which a school district consolidation takes
3 effect under s. 117.08 or 117.09 and in each of the subsequent 4 school years, the
4 consolidated school district's state aid shall be an amount that is not less than the
5 aggregate state aid received by the consolidating school districts in the school year
6 prior to the school year in which the consolidation takes effect. The additional state
7 aid shall be paid from the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and
8 (af).

9 **SECTION 13.** 121.15 (1m) (a) 3. of the statutes is amended to read:

10 121.15 (1m) (a) 3. Beginning in the 1999-2000 school year, annually the state
11 shall pay to school districts, from the ~~appropriation~~ appropriations under s. 20.255
12 (2) (ac) and (af), \$75,000,000 on the 4th Monday in July of the following school year.

13 **SECTION 14.** 121.85 (6) (e) of the statutes is amended to read:

14 121.85 (6) (e) *Sources of aid payments.* State aid under this section shall be
15 paid from the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and (af).

16 **SECTION 15.** 121.85 (8) of the statutes is amended to read:

17 121.85 (8) TRANSFERRED PUPILS. Pupils transferring schools under this section
18 shall be subject to the same rules and regulations as resident pupils and shall have
19 the responsibilities, privileges, and rights of resident pupils in the school district or
20 attendance area. Subject to this subsection, a pupil transferring schools under either
21 sub. (3) (a) or (b) has the right to complete his or her education at the elementary,
22 middle, or high school to which he or she transfers so long as full funding therefor
23 is available under s. 20.255 (2) (ac) and (af).

24 **SECTION 16.** 121.85 (9) (c) of the statutes is amended to read:



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-1742/A
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15
RM [signature]

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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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3 16.50 (1) (b) This subsection does not apply to appropriations under ss. 20.255

4 (2) (ac) and (af), and (r), 20.835, and 20.865 (4).

> insert 1-4

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15 at least 3 of the objectives under par. (c) in the previous school year, additional state
16 aid in an amount equal to 10% of the school district's average per pupil aids provided
17 under s. 20.835 (7) (a), 1991 stats., and s. 20.255 (2) (ac) and, (af), and (r) in the
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8 districts are eligible to be paid from the appropriations under s. 20.255 (2) (ac) ~~and~~,
9 (af), and (r), calculated as if the reduction under par. (b) had not occurred.

10 3. Multiply the amount of state aid that the school district is eligible to be paid
11 from the appropriations under s. 20.255 (2) (ac) ~~and~~, (af), and (r), calculated as if the
12 reduction under par. (b) had not occurred, by the quotient under subd. 2.

13 **SECTION 7.** 121.08 (4) (b) of the statutes is amended to read:

14 121.08 (4) (b) The amount of state aid that the school district operating under
15 ch. 119 is eligible to be paid from the appropriations under s. 20.255 (2) (ac), (af), and
16 (r) shall also be reduced by 45% of the amounts paid under s. 119.23 (4) and (4m) in
17 the current school year.

18 **SECTION 8.** 121.09 (1) of the statutes is amended to read:

19 121.09 (1) If, on or after July 1, 1980, the tax appeals commission or a court
20 makes a final redetermination on the assessment of property subject to taxation
21 under s. 70.995 that is lower than the previous assessment, or if, on or after January
22 1, 1982, the state board of assessors makes a final redetermination on the
23 assessment of property subject to taxation under s. 70.995 that is lower than the
24 previous assessment, the school board of the school district in which the property is
25 located may, within 4 years after the date of the determination, decision, or

1 judgment, file the determination of the state board of assessors, the decision of the
2 tax appeals commission, or the judgment of the court with the state superintendent,
3 requesting an adjustment in state aid to the school district. If the state
4 superintendent determines that the determination, decision, or judgment is final
5 and that it has been filed within the 4-year period, the state shall pay to the school
6 district in the subsequent fiscal year, from the ~~appropriation~~ appropriations under
7 s. 20.255 (2) (ac) and (af), an amount equal to the difference between the state aid
8 computed under s. 121.08 for the school year commencing after the year subject to
9 the valuation recertification, using the school district's equalized valuation as
10 originally certified, and the state aid computed under s. 121.08 for that school year
11 using the school district's equalized valuation as recertified under s. 70.57 (2).

12 **SECTION 9.** 121.09 (2m) of the statutes is amended to read:

13 121.09 **(2m)** If after June 30, 1995, and before July 26, 2003, the state board
14 of assessors, the tax appeals commission, or a court makes a final redetermination
15 on the assessment of telephone company property subject to taxation under s. 70.112
16 (4) and subch. IV of ch. 76 that is lower than the previous assessment, the school
17 board of the school district in which the property is located may, within 4 years after
18 July 26, 2003, file the redetermination with the state superintendent, requesting an
19 adjustment in state aid to the school district. If the state superintendent determines
20 that the redetermination is final and that it has been filed within the 4-year period,
21 the state shall pay to the school district in the subsequent fiscal year, from the
22 ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and (af), an amount equal to the
23 difference between the state aid computed under s. 121.08 for the school year
24 commencing after the year subject to the valuation recertification, using the school
25 district's equalized valuation as originally certified, and the state aid computed

1 under s. 121.08 for that school year using the school district's equalized valuation as
2 recertified under s. 70.57 (2).

3 **SECTION 10.** 121.09 (2r) of the statutes is amended to read:

4 121.09 (2r) If after July 26, 2003, the state board of assessors, the tax appeals
5 commission, or a court makes a final redetermination on the assessment of telephone
6 company property subject to taxation under s. 70.112 (4) and subch. IV of ch. 76 that
7 is lower than the previous assessment, the school board of the school district in which
8 the property is located may, within 4 years after the redetermination, file the
9 redetermination with the state superintendent, requesting an adjustment in state
10 aid to the school district. If the state superintendent determines that the
11 redetermination is final and that it has been filed within the 4-year period, the state
12 shall pay to the school district in the subsequent fiscal year, from the ~~appropriation~~
13 appropriations under s. 20.255 (2) (ac) and (af), an amount equal to the difference
14 between the state aid computed under s. 121.08 for the school year commencing after
15 the year subject to the valuation recertification, using the school district's equalized
16 valuation as originally certified, and the state aid computed under s. 121.08 for that
17 school year using the school district's equalized valuation as recertified under s.
18 70.57 (2).

19 **SECTION 11.** 121.095 (2) of the statutes is amended to read:

20 121.095 (2) From the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and
21 (af), annually the department of public instruction shall pay to the department of
22 military affairs an amount equal to the sum of the reductions under sub. (1). The
23 department of public instruction shall ensure that the aid adjustment under sub. (1)
24 does not affect the amount determined to be received by a school district as state aid
25 under s. 121.08 or for any other purpose.

1 **SECTION 12.** 121.105 (3) of the statutes is amended to read:

2 121.105 (3) In the school year in which a school district consolidation takes
3 effect under s. 117.08 or 117.09 and in each of the subsequent 4 school years, the
4 consolidated school district's state aid shall be an amount that is not less than the
5 aggregate state aid received by the consolidating school districts in the school year
6 prior to the school year in which the consolidation takes effect. The additional state
7 aid shall be paid from the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and
8 (af).

9 **SECTION 13.** 121.15 (1m) (a) 3. of the statutes is amended to read:

10 121.15 (1m) (a) 3. Beginning in the 1999–2000 school year, annually the state
11 shall pay to school districts, from the ~~appropriation~~ appropriations under s. 20.255
12 (2) (ac) and (af), \$75,000,000 on the 4th Monday in July of the following school year.

13 **SECTION 14.** 121.85 (6) (e) of the statutes is amended to read:

14 121.85 (6) (e) *Sources of aid payments.* State aid under this section shall be
15 paid from the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and (af).

16 **SECTION 15.** 121.85 (8) of the statutes is amended to read:

17 121.85 (8) TRANSFERRED PUPILS. Pupils transferring schools under this section
18 shall be subject to the same rules and regulations as resident pupils and shall have
19 the responsibilities, privileges, and rights of resident pupils in the school district or
20 attendance area. Subject to this subsection, a pupil transferring schools under either
21 sub. (3) (a) or (b) has the right to complete his or her education at the elementary,
22 middle, or high school to which he or she transfers so long as full funding therefor
23 is available under s. 20.255 (2) (ac) and (af).

24 **SECTION 16.** 121.85 (9) (c) of the statutes is amended to read:

Insert 1-9 ✓

see #, or 16.518(3)(c) 40

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16.518 (3) (b) ⁴~~1/8~~ In the 2006-07 fiscal year, the secretary shall reduce any amount transferred to the budget stabilization fund under par. (a) by an amount necessary to ~~ensure that the distribution on June 15, 2007, under s. 79.10 (7m) (a)~~

~~1 b. is made.~~ *fund the appropriation under s. 20.255(2)(af)*

~~SECTION 3. 16.518 (4) of the statutes is created to read:~~

~~16.518 (4) Notwithstanding sub. (3), if the amount of moneys projected to be deposited in the general fund during the 2005-06 and 2006-07 fiscal years that are designated as "Taxes" in the summary is less than the amount of such moneys actually deposited in the general fund during that fiscal year, the secretary may transfer any of the amount calculated under sub. (2) for those fiscal years to the health care quality improvement fund.~~

~~SECTION 4. 79.10 (2) of the statutes is amended to read:~~

~~79.10 (2) NOTICE TO MUNICIPALITIES. On or before December 1 of the year preceding the ~~distribution~~ distributions under sub. (7m) (a), the department of revenue shall notify the clerk of each town, village and city of the estimated fair market value, as determined under sub. (11), to be used to calculate the lottery and gaming credit under sub. (5) and of the ~~amount~~ amounts to be distributed to it under sub. (7m) (a) ~~on in the following 4th Monday in July year.~~ The anticipated receipt of such ~~distribution~~ distributions shall not be taken into consideration in determining the tax rate of the municipality but shall be applied as tax credits.~~

~~SECTION 5. 79.10 (4) of the statutes is amended to read:~~

~~79.10 (4) SCHOOL LEVY TAX CREDIT. The amount appropriated under s. 20.835 (3) (b) shall be distributed to municipalities in proportion to their share of the sum of average school tax levies for all municipalities, ~~as adjusted under sub. (7) except that \$150,000,000 of the amount appropriated shall be distributed to municipalities~~~~



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-1742/5
MJL&JK:cjs&wlj:pg

DOA:.....Ziegler, BB0431 - Using additional revenue collected from compliance with streamlined sales tax project for school aid

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under this bill, no later than September 1, 2006, DOR will estimate the amount of state sales and use tax revenue that will be collected for the 2005-07 fiscal biennium in excess of the amount of such revenue that, prior to that biennium and based, in part, on the assumption of compliance by sellers with the Streamlined Sales and Use Tax Agreement, DOR estimated would be collected for the biennium. That amount is then appropriated as general school aids for the 2006-07 fiscal year.

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:

2 SECTION 1. 16.50 (1) (b) of the statutes is amended to read:

3 16.50 (1) (b) This subsection does not apply to appropriations under ss. 20.255

4 (2) (ac) and, (af), and (r), 20.835, and 20.865 (4).

1 **SECTION 2.** 16.518 (3) (b) 4. of the statutes is created to read:

2 16.518 (3) (b) 4. In the 2006–07 fiscal year, the secretary shall reduce any
3 amount transferred to the budget stabilization fund under par. (a) by an amount
4 necessary to fund the appropriation under s. 20.255 (2) (af).

5 **SECTION 3.** 16.52 (10) of the statutes is amended to read:

6 16.52 (10) DEPARTMENT OF PUBLIC INSTRUCTION. The provisions of sub. (2) with
7 respect to refunds and sub. (5) (a) with respect to reimbursements for the prior fiscal
8 year shall not apply to the appropriations under s. 20.255 (2) (ac) and, (af), and (r).

9 **SECTION 4.** 20.255 (2) (af) of the statutes is created to read:

10 20.255 (2) (af) *General equalization aids; supplement.* A sum sufficient equal
11 to the amount determined under 2005 Wisconsin Act (this act), section 9141 (1)
12 for the payment of educational aids under ss. 121.08, 121.09, 121.095, and 121.105
13 and subch. VI of ch. 121. No moneys may be encumbered or expended from this
14 appropriation after June 30, 2007.

 ****NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

15 **SECTION 5.** 118.153 (4) (b) of the statutes is amended to read:

16 118.153 (4) (b) Upon receipt of a school board's annual report under par. (a) the
17 state superintendent shall pay to the school district from the appropriation under s.
18 20.255 (2) (bc), for each pupil enrolled in a program for children at risk who achieved
19 at least 3 of the objectives under par. (c) in the previous school year, additional state
20 aid in an amount equal to 10% of the school district's average per pupil aids provided
21 under s. 20.835 (7) (a), 1991 stats., and s. 20.255 (2) (ac) and, (af), and (r) in the
22 previous school year.

23 **SECTION 6.** 121.007 of the statutes is amended to read:

1 **121.007 Use of state aid; exemption from execution.** All moneys paid to
2 a school district under s. 20.255 (2) (ac), (af), (bc), (cg), ~~(er)~~, (qr), and (r) shall be used
3 by the school district solely for the purposes for which paid. Such moneys are exempt
4 from execution, attachment, garnishment, or other process in favor of creditors,
5 except as to claims for salaries or wages of teachers and other school employees and
6 as to claims for school materials, supplies, fuel, and current repairs.

7 **SECTION 7.** 121.08 (4) (a) (intro.), 2. and 3. of the statutes are amended to read:

8 121.08 (4) (a) (intro.) The amount of state aid that a school district is eligible
9 to be paid from the appropriations under s. 20.255 (2) (ac) ~~and~~, (af), ~~and~~(r) shall be
10 reduced by the amount determined as follows:

11 2. Divide the sum under subd. 1. by the total amount of state aid that all school
12 districts are eligible to be paid from the appropriations under s. 20.255 (2) (ac) ~~and~~,
13 (af), ~~and~~ (r), calculated as if the reduction under par. (b) had not occurred.

14 3. Multiply the amount of state aid that the school district is eligible to be paid
15 from the appropriations under s. 20.255 (2) (ac) ~~and~~, (af), ~~and~~ (r), calculated as if the
16 reduction under par. (b) had not occurred, by the quotient under subd. 2.

17 **SECTION 8.** 121.08 (4) (b) of the statutes is amended to read:

18 121.08 (4) (b) The amount of state aid that the school district operating under
19 ch. 119 is eligible to be paid from the appropriations under s. 20.255 (2) (ac), (af), and
20 (r) shall also be reduced by 45% of the amounts paid under s. 119.23 (4) and (4m) in
21 the current school year.

22 **SECTION 9.** 121.09 (1) of the statutes is amended to read:

23 121.09 (1) If, on or after July 1, 1980, the tax appeals commission or a court
24 makes a final redetermination on the assessment of property subject to taxation
25 under s. 70.995 that is lower than the previous assessment, or if, on or after January

1 1, 1982, the state board of assessors makes a final redetermination on the
2 assessment of property subject to taxation under s. 70.995 that is lower than the
3 previous assessment, the school board of the school district in which the property is
4 located may, within 4 years after the date of the determination, decision, or
5 judgment, file the determination of the state board of assessors, the decision of the
6 tax appeals commission, or the judgment of the court with the state superintendent,
7 requesting an adjustment in state aid to the school district. If the state
8 superintendent determines that the determination, decision, or judgment is final
9 and that it has been filed within the 4-year period, the state shall pay to the school
10 district in the subsequent fiscal year, from the ~~appropriation~~ appropriations under
11 s. 20.255 (2) (ac) and (af), an amount equal to the difference between the state aid
12 computed under s. 121.08 for the school year commencing after the year subject to
13 the valuation recertification, using the school district's equalized valuation as
14 originally certified, and the state aid computed under s. 121.08 for that school year
15 using the school district's equalized valuation as recertified under s. 70.57 (2).

16 **SECTION 10.** 121.09 (2m) of the statutes is amended to read:

17 121.09 (2m) If after June 30, 1995, and before July 26, 2003, the state board
18 of assessors, the tax appeals commission, or a court makes a final redetermination
19 on the assessment of telephone company property subject to taxation under s. 70.112
20 (4) and subch. IV of ch. 76 that is lower than the previous assessment, the school
21 board of the school district in which the property is located may, within 4 years after
22 July 26, 2003, file the redetermination with the state superintendent, requesting an
23 adjustment in state aid to the school district. If the state superintendent determines
24 that the redetermination is final and that it has been filed within the 4-year period,
25 the state shall pay to the school district in the subsequent fiscal year, from the

1 ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and (af), an amount equal to the
2 difference between the state aid computed under s. 121.08 for the school year
3 commencing after the year subject to the valuation recertification, using the school
4 district's equalized valuation as originally certified, and the state aid computed
5 under s. 121.08 for that school year using the school district's equalized valuation as
6 recertified under s. 70.57 (2).

7 **SECTION 11.** 121.09 (2r) of the statutes is amended to read:

8 121.09 (2r) If after July 26, 2003, the state board of assessors, the tax appeals
9 commission, or a court makes a final redetermination on the assessment of telephone
10 company property subject to taxation under s. 70.112 (4) and subch. IV of ch. 76 that
11 is lower than the previous assessment, the school board of the school district in which
12 the property is located may, within 4 years after the redetermination, file the
13 redetermination with the state superintendent, requesting an adjustment in state
14 aid to the school district. If the state superintendent determines that the
15 redetermination is final and that it has been filed within the 4-year period, the state
16 shall pay to the school district in the subsequent fiscal year, from the ~~appropriation~~
17 appropriations under s. 20.255 (2) (ac) and (af), an amount equal to the difference
18 between the state aid computed under s. 121.08 for the school year commencing after
19 the year subject to the valuation recertification, using the school district's equalized
20 valuation as originally certified, and the state aid computed under s. 121.08 for that
21 school year using the school district's equalized valuation as recertified under s.
22 70.57 (2).

23 **SECTION 12.** 121.095 (2) of the statutes is amended to read:

24 121.095 (2) From the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and
25 (af), annually the department of public instruction shall pay to the department of

1 military affairs an amount equal to the sum of the reductions under sub. (1). The
2 department of public instruction shall ensure that the aid adjustment under sub. (1)
3 does not affect the amount determined to be received by a school district as state aid
4 under s. 121.08 or for any other purpose.

5 **SECTION 13.** 121.105 (3) of the statutes is amended to read:

6 121.105 (3) In the school year in which a school district consolidation takes
7 effect under s. 117.08 or 117.09 and in each of the subsequent 4 school years, the
8 consolidated school district's state aid shall be an amount that is not less than the
9 aggregate state aid received by the consolidating school districts in the school year
10 prior to the school year in which the consolidation takes effect. The additional state
11 aid shall be paid from the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and
12 (af).

13 **SECTION 14.** 121.15 (1m) (a) 3. of the statutes is amended to read:

14 121.15 (1m) (a) 3. Beginning in the 1999-2000 school year, annually the state
15 shall pay to school districts, from the ~~appropriation~~ appropriations under s. 20.255
16 (2) (ac) and (af), \$75,000,000 on the 4th Monday in July of the following school year.

17 **SECTION 15.** 121.85 (6) (e) of the statutes is amended to read:

18 121.85 (6) (e) *Sources of aid payments.* State aid under this section shall be
19 paid from the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and (af).

20 **SECTION 16.** 121.85 (8) of the statutes is amended to read:

21 121.85 (8) TRANSFERRED PUPILS. Pupils transferring schools under this section
22 shall be subject to the same rules and regulations as resident pupils and shall have
23 the responsibilities, privileges, and rights of resident pupils in the school district or
24 attendance area. Subject to this subsection, a pupil transferring schools under either
25 sub. (3) (a) or (b) has the right to complete his or her education at the elementary,

1 middle, or high school to which he or she transfers so long as full funding therefor
2 is available under s. 20.255 (2) (ac) and (af).

3 **SECTION 17.** 121.85 (9) (c) of the statutes is amended to read:

4 121.85 (9) (c) The obligation under par. (a) to organize planning councils shall
5 apply only with regard to school terms for which full pupil transfer aids are
6 appropriated under s. 20.255 (2) (ac) and (af) and planning council assistance funds
7 are appropriated under s. 20.255 (1) (a).

8 **SECTION 9141. Nonstatutory provisions; revenue.**

9 (1) REVENUE FROM THE STREAMLINED SALES TAX PROJECT. No sooner than July 1,
10 2006, and no later than September 1, 2006, the department of revenue shall estimate
11 the amount of revenue that will be collected under subchapter III of chapter 77 of the
12 statutes for the 2005-07 fiscal biennium in excess of the amount of revenue that,
13 prior to the beginning of that biennium and based, in part, on the assumption of
14 compliance by sellers with the streamlined sales and use tax agreement described
15 under section 77.65 of the statutes, the department of revenue estimated would be
16 collected under subchapter III of chapter 77 of the statutes for that biennium.

17 (END)