LRB-3352/2 PG&JK:wlj:pg

2007 SENATE BILL 299

November 2, 2007 – Introduced by Senators Lehman, Hansen, Kreitlow, Vinehout, Wirch, Erpenbach, Schultz, Carpenter, Coggs, Decker, Olsen, Taylor, Lassa and Grothman, cosponsored by Representatives Gottlieb, Mason, Nelson, Turner, Hilgenberg, Gronemus, Sheridan, Hintz, Hebl, Hixson, Pope-Roberts, Vruwink, Strachota, Cullen, Sinicki, Zepnick and Staskunas. Referred to Committee on Education.

1 AN ACT **relating to:** distribution of a portion of the school levy tax credit.

Analysis by the Legislative Reference Bureau

Under current law, the majority of general school aids are distributed to school districts based on the relative fiscal capacity of each school district, as measured by the school district's per pupil value of taxable property. The school levy tax credit is distributed to municipalities based on each municipality's share of statewide tax levies for school purposes during the preceding three years, and allocated proportionately to reduce each property owner's tax bill.

This bill requires that \$79,350,000 of the total amount to be distributed as the school levy tax credit in 2008 (\$672,400,000) be distributed using the formula for the distribution of general school aid instead of the method used for the balance of the school levy tax credit. Amounts distributed under the bill are still allocated proportionately to reduce each property owner's tax bill.

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. Nonstatutory provisions; distribution of school levy tax
- 3 credit.

SENATE BILL 299

- (1) By December 1, 2007, the department of public instruction shall determine the additional amount of general school aid each school district would receive in the 2007–08 fiscal year under section 121.08 of the statutes if the appropriation under section 20.255 (2) (ac) of the statutes, as affected by 2007 Wisconsin Act 20, were increased by \$79,350,000 for the 2007–08 fiscal year. The department shall disregard the effect that increasing the appropriation has on payments to charter schools under section 118.40 (2r) (e) of the statutes and on payments to private schools under section 119.23 (4) (b) 2. of the statutes, but not the effect that it has under section 121.08 (4) (a) of the statutes. The department shall certify the results to the secretary of administration.
- (2) Notwithstanding section 79.10 (4) of the statutes, as affected by 2007 Wisconsin Act 20, \$79,350,000 of the amount specified for the school levy tax credit payments in 2008 under section 79.14 of the statutes, as affected by 2007 Wisconsin Act 20, shall be distributed by the department of administration to cities, villages, and towns as follows:
- (a) Divide the equalized value of that portion of each city, village, or town located in each school district by the equalized value of the school district.
- (b) Multiply the amount certified under subsection (1) for each school district by the result under paragraph (a).
- (3) Section 79.10 (9) (b), (c) 2., and (d) of the statutes applies to the payments under this section.