

2007 DRAFTING REQUEST

Bill

Received: **11/06/2007**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Mark Honadel (608) 266-0610**

By/Representing: **jeff**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Property - other**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Honadel@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Eliminate the department of revenue study regarding utility license fees

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>
/?							
/1	jkreye 11/06/2007	kfollett 11/13/2007	rschluet 11/13/2007	_____	cduerst 11/13/2007	lparisi 12/20/2007	

FE Sent For: **NONE**

<END>

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/?	jkreye	11/6/07 11/13/07					

FE Sent For:

<END>

ATTN: Joe Kreye

Bill Request Form

Legislative Reference Bureau
One East Main Street, Suite 200
Legal Section 266-3561

You may use this form or talk directly with the LRB attorney who will draft the bill.

Date 11/5/07

Legislator, agency, or other person requesting this draft Rep. Mark Honadel 6-0610

Person submitting request (name and phone number) Jeff Palkowski 6-1823

Persons to contact for questions about this draft (names and phone numbers) Same as above

Describe the problem, including any helpful examples. How do you want to solve the problem?

The intention is to remove Sec. 9141(1F) as referenced in 2007 Wisconsin Act 20, (2007 SB 40). We would like this language removed to eliminate the requirement for a Department of Revenue study group. (See attached documents)

Please attach a copy of any correspondence or other material that may help us. If you know of any statute sections that might be affected, list them or provide a marked-up copy.

- 2007 WI Act 20, 2007-09 Budget Summary

You may attach a marked-up copy of any LRB draft or provide its number (e.g., 2005 LRB-2345/1 or 2003 AB-67).

Requests are confidential unless stated otherwise. May we tell others that we are working on this for you? YES NO

If yes:

Anyone who asks? YES NO
Any legislator? YES NO

Only the following persons _____

Do you consider this request urgent? YES NO If yes, please indicate why _____

Should we give this request priority over any pending request of this legislator, agency, or person?

YES NO

address the underlying issues associated with management and operation of the school districts' programs.

(d) A consortium awarded a grant under paragraph (b) shall submit the results of the study to the department of public instruction.

(4k) SCHOOL DISTRICT CONSOLIDATION STUDY. Notwithstanding section 115.435 of the statutes, the department of public instruction shall, from the appropriation under section 20.255 (2) (ad) of the statutes, as affected by this act, award one or more grants totaling \$30,000 in the 2007-08 fiscal year to the school districts located in Ashland, Price, or Sawyer counties for the purpose of studying consolidation.

(5i) ONE-TIME GRANTS TO ORGANIZATIONS. From the appropriation account under section 20.255 (3) (a) of the statutes, as created by this act, the department of public instruction shall distribute grants as follows:

(a) *Big Brothers Big Sisters of Dane County*. A grant of \$25,000 in fiscal year 2007-08 to Big Brothers Big Sisters of Dane County for mentoring in collaboration with the Madison Metropolitan School District.

(b) *Latino Community Center*. A grant of \$12,500 in fiscal year 2007-08 to the Latino Community Center for a school safety improvement project at South Division High School.

(c) *Badger State Science and Engineering Fair*. A grant of \$12,500 in fiscal year 2007-08 and in fiscal year 2008-09 to the Badger State Science and Engineering Fair.

(7c) LA CAUSA CHARTER SCHOOL.

(a) Notwithstanding section 196.218 (5) (a) of the statutes, as affected by this act, in the 2007-08 fiscal year the department of public instruction shall pay the amount appropriated under section 20.255 (2) (u) of the statutes, as created by this act, to La Causa Charter School in the city of Milwaukee.

(b) Notwithstanding section 196.218 (3) (a) of the statutes, as affected by this act, the public service commission shall ensure that the contributions from telecommunications providers under that paragraph are sufficient to generate the amount appropriated under section 20.255 (2) (u) of the statutes, as created by this act.

SECTION 9139. Nonstatutory provisions; Public Service Commission.

(1f) PUBLIC LIBRARY SYSTEMS FUNDING FROM UNIVERSAL SERVICE FUND. Notwithstanding section 196.218 (3) (a) 3. b. of the statutes, the public service commission shall, in determining the amount of contributions to the universal service fund for fiscal year 2007-08, deduct \$9,200,000 from the amount appropriated under section 20.255 (3) (qm) of the statutes for fiscal year 2007-08.

SECTION 9140. Nonstatutory provisions; Regulation and Licensing.

(1j) WHOLESALE PRESCRIPTION DRUG DISTRIBUTORS. Using the procedure under section 227.24 of the statutes, the department of regulation and licensing shall promul-

gate rules necessary to administer sections 450.071, 450.072, 450.073, and 450.074 of the statutes, as created by this act, for the period before the effective date of permanent rules necessary to administer sections 450.071, 450.072, 450.073, and 450.074 of the statutes. Notwithstanding section 227.24 (1) (c) and (2) of the statutes, emergency rules promulgated under this subsection remain in effect until March 1, 2008, or the date on which permanent rules take effect, whichever is sooner. Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection.

SECTION 9141. Nonstatutory provisions; Revenue.

(1) INTERNAL REVENUE CODE. Changes to the Internal Revenue Code made by Public Law 109-135, excluding sections 101, 105, 201 (a) as it relates to section 1400S (a), 402 (e), 403 (e), (j), and (q), and 405 of Public Law 109-135, and Public Law 109-280, excluding sections 811 and 844 of Public Law 109-280, apply to the definitions of "Internal Revenue Code" in chapter 71 of the statutes at the time that those changes apply for federal income tax purposes.

(1f) DEPARTMENT OF REVENUE STUDY; UTILITY LICENSE FEES. No later than December 31, 2008, the department of revenue shall convene a study group to assess the feasibility and desirability of imposing local general property taxes or their equivalent on all property, other than production plants, of electric cooperatives, municipal utilities, and light, heat, and power companies. The study group shall include residents of communities that host public utility property; representatives of electric cooperatives, municipal utilities, and light, heat, and power companies; members of the public who have expertise in the taxation of public utilities and in transmission line siting; and any other individuals who the department of revenue believes to have expertise related to the study. No later than May 1, 2009, the study group shall report its findings and recommendations to the legislature under section 13.172 (2) of the statutes.

(2f) RETAILER INVENTORY SYSTEM FOR LOTTERY TICKETS. The department of revenue shall develop a detailed implementation and cost plan for an instant ticket retailer inventory system and submit the plan to the joint committee on finance on or before January 31, 2008. The plan shall include the text of a proposed administrative rule relating to retailer billing procedures or, if such an administrative rule has been promulgated, a summary of the promulgated administrative rule. If the cochairpersons of the committee do not notify the department within 14 working days after the date of submittal of the plan that the committee has scheduled a meeting for the purpose of

Remove

Direct Aid Payments

1. COUNTY AND MUNICIPAL AID -- FUNDING LEVEL FOR CURRENT LAW DISTRIBUTION [Senate Modified]

GPR	\$200
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Conference Committee: Increase the program's funding level by \$100 annually to ensure that the appropriation provides spending authority sufficient to fund the entire current law distribution. Without this adjustment, the distribution would exceed base level spending authority by \$24 annually.

2. PUBLIC UTILITY AID -- SUM SUFFICIENT REESTIMATES [Senate/Assembly]

GPR	\$1,984,800
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Conference Committee: Increase estimated payments by \$900,000 in 2007-08 and \$1,400,000 in 2008-09 under the public utility aid component of the shared revenue program to reflect estimated changes in the value of utility-owned property eligible for state aid under the three and six mill distribution formulas. Estimate total payments under these formulas at \$32,900,000 in 2007-08 and \$33,400,000 in 2008-09. Decrease estimated payments by \$157,600 annually under the public utility distribution account to reflect changes in the number and types of property eligible for aid under the capacity-based distribution formula. Estimate total payments under this formula at \$6,242,400 annually.

3. PUBLIC UTILITY AID -- FORMULA CHANGES [Senate]

Conference Committee: Modify current law provisions related to state aid payments to municipalities and counties containing production plants as follows. Discontinue the nine-mill utility aid payments on production plants that began operation prior to 2004 and authorize payments under the provisions created by 2003 Wisconsin Act 31 that result in payments of \$2,000 per megawatt of capacity, or \$4,000 per megawatt of capacity if the production plant derives energy from an alternative energy resource, provided the municipality where the production plant is located receives a higher payment under the capacity-based distribution formula. Provide that after a payment for a production plant is made under the capacity-based distribution formula, subsequent payments cannot be made under the nine-mill formula. Repeal the current law provision that limits the value used to calculate payments under the nine-mill formula to no less than the value used to calculate payments in 1990. Extend these provisions to aid payments beginning in 2009. Require the Department of Revenue (DOR) to convene a study group by December 31, 2008, comprised of residents of communities that host public utility property, representatives of light, heat, and power companies, electric cooperatives, and municipal utilities, individuals with expertise related to public utility taxation and transmission line siting, and any other individuals who DOR believes to have expertise related to the study to assess the

Remove

feasibility and desirability of imposing local general property taxes, or their equivalent, on property, other than production plants, of light, heat, and power companies, electric cooperatives, and municipal utilities. Require the study group to issue a report containing its findings and recommendations to the Legislature by May 1, 2009. These provisions would take effect beginning in 2009. Due to this timing, no fiscal effect is reported for the 2007-09 biennium. Under current law, payments for production plants are estimated at \$19.9 million. Under the proposal, aid payments for production plants of \$29.5 million are estimated. Consequently, the provisions would increase aid payments on production plants by an estimated \$9.6 million, beginning in 2009-10.

Remove

4. PUBLIC UTILITY AID -- INCREASE PER CAPITA PAYMENT LIMIT [Senate]

Conference Committee: Increase the per capita payment limit from \$300 to \$425 for municipalities and from \$100 to \$125 for counties under the public utility aid component of the shared revenue program, beginning with payments in 2009. This provision would interact with other utility aid changes in the amendment to increase payments to three municipalities by \$310,000 annually, beginning in 2009-10 (City of Alma, \$120,000; Town of Carlton, \$120,000; and Town of Two Creeks, \$70,000). No payment changes to counties are estimated.

5. STATE AID FOR TAX EXEMPT COMPUTERS, CASH REGISTERS, AND FAX MACHINES -- SUM SUFFICIENT REESTIMATE [Senate/Assembly]

GPR	\$130,367,600
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Conference Committee: Estimate state aid payments of \$65,067,600 in 2007-08 and \$65,300,000 in 2008-09. These entire amounts represent increases in funding since 2005 Wisconsin Act 25 established a base funding level for the 2007-09 biennium of \$0 by changing the payment date from the first Monday in May of each year to the fourth Monday in July of each year, beginning in 2007. This produced one-time savings in the 2005-07 biennium. The preceding amounts reflect payments for the 2007 and 2008 calendar years based on estimated exempt values for 2006 and 2007 and property tax rates for 2006(07) and 2007(08).

6. INTEREST PAYMENTS ON OVERASSESSMENTS OF MANUFACTURING PROPERTY [Senate/Assembly]

GPR	\$20,000
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Conference Committee: Estimate payments of \$10,000 annually for interest on tax refunds related to the overassessment of manufacturing property. These amounts represent the initial payments authorized under 2005 Wisconsin Act 405. The Act requires the Department of Administration to refund to municipalities an amount equal to 20% of their payments in the previous fiscal year of interest on tax refunds resulting from reduced valuations ordered by the Tax Appeals Commission or DOR's Board of Assessors.



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-3418/1
JK:kn...
gf

2007 BILL

in 11-6-07

Gen

1 AN ACT ...; **relating to:** eliminating the study related to imposing local general
2 property taxes on public utility property.

Analysis by the Legislative Reference Bureau

Under current law, no later than December 31, 2008, the Department of Revenue (DOR) must convene a study group to assess the feasibility of imposing local general property taxes on all property, other than production plants, of electric cooperatives, municipal utilities, and light, heat, and power companies and report its findings to the legislature no later than May 1, 2009. Under current law, generally, the property of a public utility is not subject to local general property taxes. This bill eliminates the requirement that DOR convene the study group.

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

3 SECTION 1. 2007 Wisconsin Act 20, section 9141 (1f) is repealed.

4 (END)

Parisi, Lori

From: Palkowski, Jeff
Sent: Wednesday, December 19, 2007 4:24 PM
To: LRB.Legal
Subject: Draft Review: LRB 07-3418/1 Topic: Eliminate the department of revenue study regarding utility license fees

Please Jacket LRB 07-3418/1 for the ASSEMBLY.