



## Fiscal Estimate Narratives

DOR 5/27/2009

LRB Number	09-2102/1	Introduction Number	AB-0270	Estimate Type	Original
<b>Description</b> Utility aid payments to towns and counties for production plants that generate electricity from wind power					

### Assumptions Used in Arriving at Fiscal Estimate

In general, public utilities are exempt from property taxes and taxed instead by the state under Chapter 76 of the statutes. Shared revenue utility payments help localities pay for services provided to tax-exempt utility property. The payments are also viewed as partial compensation for the air pollution, noise, traffic congestion, and land use limitations caused by the presence of utility property. The shared revenue utility payment consists of several components.

Under current law for one of these components, for an electric generating plant that begins operation or is rebuilt or repowered after December 31, 2003, a payment of \$2,000 per megawatt (MW) of name-plate generating capacity is made. If the power plant is in a town, one-third (\$666.67) is paid to the town and two-thirds (\$1,333.33) is paid to the county. If the power plant is in a village or city, two-thirds (\$1,333.33) is paid to the village or city and one-third (\$666.67) is paid to the county.

Under the bill, for a wind power electric generating plant that begins operation or is rebuilt or repowered after December 31, 2003, the payment of \$2,000 per MW of name-plate capacity would be split between the municipality and county on a 50:50 basis, beginning with the payment in 2009.

The bill would shift shared revenue utility payments between towns and counties, but have no effect on the total of these payments made by the state.

The bill would increase shared revenue utility payments to 9 towns by a total of \$131,900. Three of these towns are in Dodge County: Town of Herman, \$18,000; Town of Leroy, \$18,500; and Town of Lomira, \$6,000. Six of these towns are in Fond du Lac County: Town of Byron, \$10,000; Town of Calumet, \$25,333; Town of Eden, \$12,100; Town of Empire, \$10,467; Town of Marshfield, \$23,000; and Town of Oakfield, \$8,500.

The bill would decrease shared revenue utility payments to 2 counties by a total of \$131,900: Dodge County, \$42,500 and Fond du Lac County, \$89,400.

The Department of Revenue would incur costs to change its computer programs for calculating shared revenue utility payments. These costs can be absorbed within current resources.

### Long-Range Fiscal Implications