

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>15-2934/2</b>	Introduction Number <b>AB-0490</b>	
<b>Description</b> Utility aid payments to towns and counties for production plants that generate electricity from wind power		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b>		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input checked="" type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs      4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory		
5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b>		
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Affected Ch. 20 Appropriations</b>		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOR/ Craig Steinfeldt (608) 266-5705	Robert Schmidt (608) 266-5773	11/17/2015

## Fiscal Estimate Narratives

DOR 11/17/2015

LRB Number	<b>15-2934/2</b>	Introduction Number	<b>AB-0490</b>	Estimate Type	<b>Original</b>
<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

Wis. Stat. sec.79.04 provides utility aid payments to municipalities for production plants used by public utilities. Utility aid payments for production plants operating prior to December 31, 2003, use a net book value formula. Towns receive a rate of 3 mills per net book value. Cities and villages receive a rate of 6 mills per net book value. Counties receive 6 mills per net book value if a production plant is in a town or 3 mills if the plant is in a city or village.

Utility aid payments for production plants operating or repowered after December 31, 2003 use a capacity formula multiplying megawatt capacity by \$2,000. For plants operating prior to December 31, 2003, the aid payment is the higher of net book value formula and the capacity formula. Towns receive one-third of the payment. Cities and villages receive two-thirds of the payment. Counties receive two-thirds of the payment if the production plant is in a town and one-third if the production plant is in a city or village.

Assembly Bill 490 changes the utility aid formula as it applies to wind production plants in towns. The bill increases township payments from one-third to 50 percent and reduces county payments from two-thirds to 50 percent. Under the net book value formula, the bill specifies towns and counties each receive 50 percent of the combined 9 mill rate. For the megawatt capacity formula, towns and counties each receive 50 percent. The bill does not alter incentive payments of \$1,000 per megawatt for wind production plants under Wis. Stat. sec.79.04.

The bill does not change the overall utility aid payment. The bill reduces county utility aid payments for wind production plants by \$242,600, and an increases town utility aid payments by \$242,600.

### Long-Range Fiscal Implications

Wisconsin Department of Revenue  
Wind Farm Utility Aid Payments: Current Law Compared with Assembly Bill 490

Municipality	MW	Current Law				AB 490 50/50 Split			
		2016 Original Estimate				2016 Original Estimate			
		Capacity Pmt	Net Book Value Pmt	Total Utility Aid Pmt		Capacity Pmt	Net Book Value Pmt	Total Utility Aid Pmt	AB 490 Change
Town Lincoln	5.3	-	\$9,394.89	\$9,394.89	-	\$14,092.34	\$14,092.34	\$4,697.45	
Town Red River	5.9	-	\$10,330.93	\$10,330.93	-	\$15,496.40	\$15,496.40	\$5,165.47	
County Kewaunee	11.2	-	\$39,451.65	\$39,451.65	-	\$29,588.73	\$29,588.73	-\$9,862.91	
Town Byron	1.3	\$866.67	-	\$866.67	\$1,300.00	-	\$1,300.00	\$433.33	
County Fond du Lac	1.3	\$1,733.33	-	\$1,733.33	\$1,300.00	-	\$1,300.00	-\$433.33	
Town Calumet	72.6	\$48,400.00	-	\$48,400.00	\$72,600.00	-	\$72,600.00	\$24,200.00	
Town Marshfield	72.6	\$48,400.00	-	\$48,400.00	\$72,600.00	-	\$72,600.00	\$24,200.00	
County Fond du Lac	145.2	\$193,600.00	-	\$193,600.00	\$145,200.00	-	\$145,200.00	-\$48,400.00	
Town Randolph	97.2	\$64,800.00	-	\$64,800.00	\$97,200.00	-	\$97,200.00	\$32,400.00	
Town Scott	64.8	\$43,200.00	-	\$43,200.00	\$64,800.00	-	\$64,800.00	\$21,600.00	
County Columbia	162.0	\$216,000.00	-	\$216,000.00	\$162,000.00	-	\$162,000.00	-\$54,000.00	
Town Eden	30.0	-	\$74,268.97	\$74,268.97	-	\$111,403.45	\$111,403.45	\$37,134.48	
County Iowa	30.0	-	\$148,537.94	\$148,537.94	-	\$111,403.45	\$111,403.45	-\$37,134.48	
Town Eden	36.3	\$24,200.00	-	\$24,200.00	\$36,300.00	-	\$36,300.00	\$12,100.00	
Town Empire	31.4	\$20,933.33	-	\$20,933.33	\$31,400.00	-	\$31,400.00	\$10,466.67	
County Fond du Lac	67.7	\$90,266.67	-	\$90,266.67	\$67,700.00	-	\$67,700.00	-\$22,566.67	
Town Lincoln	9.2	-	\$18,444.13	\$18,444.13	-	\$27,666.20	\$27,666.20	\$9,222.07	
County Kewaunee	9.2	-	\$36,888.26	\$36,888.26	-	\$27,666.20	\$27,666.20	-\$9,222.07	
Town Leroy	55.5	\$37,000.00	-	\$37,000.00	\$55,500.00	-	\$55,500.00	\$18,500.00	
Town Lomira	18.0	\$12,000.00	-	\$12,000.00	\$18,000.00	-	\$18,000.00	\$6,000.00	
County Dodge	73.5	\$98,000.00	-	\$98,000.00	\$73,500.00	-	\$73,500.00	-\$24,500.00	
Town Byron	30.0	\$20,000.00	-	\$20,000.00	\$30,000.00	-	\$30,000.00	\$10,000.00	
Town Oakfield	25.5	\$17,000.00	-	\$17,000.00	\$25,500.00	-	\$25,500.00	\$8,500.00	
County Fond du Lac	55.5	\$74,000.00	-	\$74,000.00	\$55,500.00	-	\$55,500.00	-\$18,500.00	
Town Herman	54.0	\$36,000.00	-	\$36,000.00	\$54,000.00	-	\$54,000.00	\$18,000.00	
County Dodge	54.0	\$72,000.00	-	\$72,000.00	\$54,000.00	-	\$54,000.00	-\$18,000.00	
	Total	\$1,118,400.00	\$337,316.76	\$1,455,716.76	\$1,118,400.00	\$337,316.76	\$1,455,716.76	\$0.00	
	Total Towns	\$372,800.00	\$112,438.92	\$485,238.92	\$559,200.00	\$168,658.38	\$727,858.38	\$242,619.46	
	Total Counties	\$745,600.00	\$224,877.84	\$970,477.84	\$559,200.00	\$168,658.38	\$727,858.38	-\$242,619.46	