

2019 DRAFTING REQUEST**Bill**

For: **Samantha Kerkman (608) 266-2530** Drafter: **emueller**
 By: **Rob** Secondary Drafters:
 Date: **1/18/2019** May Contact:

Same as LRB:

Submit via email: **YES**
 Requester's email: **Rep.Kerkman@legis.wisconsin.gov**
 Carbon copy (CC) to: **eric.mueller@legis.wisconsin.gov**
marc.shovers@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Levy limit exception for utility aid step-down

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	emueller 1/23/2019				
/P1	emueller 2/15/2019	anienaja 1/24/2019	mbarman 1/24/2019		State S&L
/P2	emueller 5/16/2019	anienaja 4/11/2019	dwalker 2/15/2019		State S&L
/P3	emueller 5/22/2019	anienaja 5/16/2019	lparisi 5/16/2019		State S&L
/1		anienaja	lparisi	lparisi	State

Vers. Drafted

Reviewed
5/22/2019

Submitted
5/22/2019

Jacketed
5/22/2019

Required
S&L

FE Sent For: 5/16/2019

→ ("P3")
→ At Intro
("I")

<END>

Mueller, Eric

From: LRB.Legal
Sent: Friday, January 18, 2019 4:26 PM
To: Shovers, Marc; Mueller, Eric
Subject: FW: Drafting Request--Utility aid stepdown

Hi Marc and Eric,
Would these two requests be your area?

Thank you ☺
Lori

From: Kovach, Robert <Robert.Kovach@legis.wisconsin.gov>
Sent: Friday, January 18, 2019 4:23 PM
To: LRB.Legal <lrblegal@legis.wisconsin.gov>
Subject: Drafting Request--Utility aid stepdown

Dear LRB.Legal,

Rep. Kerkman has directed me to have two bills drafted that would allow:

1. ANY municipalities who are in the process of a utility aid step-down are allowed to increase their levy by the amount of the utility aid reduction
2. Only Pleasant Prairie is allowed to increase their levy by the amount of the utility aid payment reduction. (my thought was to specify municipalities who host power plants with generation over 1000 mW of name plate capacity)

These should be drafted a /p at this time.

The drafters may discuss this matter with Rick Olin and Emma Drillas of LFB.

Please call me with any questions.

Thanks!

-Rob Kovach

Legislative Assistant
Office of Rep. Samantha Kerkman
61st State Assembly District
Rob.Kovach@legis.wi.gov
(608) 237-9161



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1468/P1

EVM:...*am*

RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

*SA
xref*

1/24/19

gen

1 **AN ACT ...; relating to:** exceptions from local levy limits.

Analysis by the Legislative Reference Bureau

This bill creates a levy limit exception for political subdivisions that receive certain utility aid payments.

Generally under current law, local levy limits are applied to the property tax levies that are imposed by a political subdivision in December of each year. Current law prohibits any political subdivision from increasing its levy by a percentage that exceeds its "valuation factor," which is defined as the greater of either zero percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed.

Current law contains a number of exceptions to the levy limit, such as amounts a county levies for a countywide emergency medical system, for a county children with disabilities education board, and for certain bridge and culvert construction and repair. In addition, a political subdivision may exceed the levy limit that is otherwise applicable if its governing body adopts a resolution to do so and if that resolution is approved by the electors in a referendum.

Also under current law, if a power plant that is exempt from property taxes is decommissioned or closed, and therefore becomes taxable, the county and municipality where the plant is located receive a utility aid payment from the state for the first five years in which the plant is subject to the property tax in an amount equal to a percentage of the utility aid payment that the county or municipality received for the last year in which the plant was exempt. The percentage decreases by 20% each year.

This bill creates a levy limit exception for a political subdivision that is receiving these utility aid payments. The amount that is exempt from the levy limit

percent



2/14 Rob @ Rep. Kerkman

- want more descriptive rel. clause
PI was too generic



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1468/P1 P2
EVM:amn

RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

2/15/19

1

AN ACT to create 66.0602 (3) (e) 10. of the statutes; relating to: exceptions from

exception

2

local levy limits. *for political subdivisions receiving certain utility aid payments*

Analysis by the Legislative Reference Bureau

This bill creates a levy limit exception for political subdivisions that receive certain utility aid payments.

Generally under current law, local levy limits are applied to the property tax levies that are imposed by a political subdivision in December of each year. Current law prohibits any political subdivision from increasing its levy by a percentage that exceeds its "valuation factor," which is defined as the greater of either zero percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed.

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Also under current law, if a power plant that is exempt from property taxes is decommissioned or closed, and therefore becomes taxable, the county and municipality where the plant is located receive a utility aid payment from the state for the first five years in which the plant is subject to the property tax in an amount equal to a percentage of the utility aid payment that the county or municipality received for the last year in which the plant was exempt. The percentage decreases by 20 percent each year.

This bill creates a levy limit exception for a political subdivision that is receiving these utility aid payments. The amount that is exempt from the levy limit is equal to the full amount of the utility aid in the first year less the amount of the utility aid to be paid to the political subdivision in the year in which the levy is imposed.

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:

1 SECTION 1. 66.0602 (3) (e) 10. of the statutes is created to read:

2 66.0602 (3) (e) 10. For a political subdivision that will receive a payment under
3 s. 79.04 (5) (a) or (b), the amount that the political subdivision levies in that year to
4 replace revenue reductions under s. 79.04 (5) (a) or (b). The amount levied under this
5 subdivision may not exceed the amount paid to the political subdivision under s.
6 79.04 (5) (a) 1. or (b) 1. less the amount to be paid to the political subdivision under
7 s. 79.04 (5) (a) or (b) in the year in which the levy is imposed.

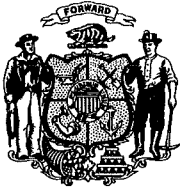
8 (END)



5/14 Bob @ Rep. Kerkman

1468 / P3

- address apparent concern of DOR
that reductions can be replaced
prior to actual decreased payments



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1468/P2

EVM:amn

P3
RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

5/16/19

- 1 **AN ACT to create** 66.0602 (3) (e) 10. of the statutes; **relating to:** exception from
- 2 local levy limits for political subdivisions receiving certain utility aid payments.

Analysis by the Legislative Reference Bureau

This bill creates a levy limit exception for political subdivisions that receive certain utility aid payments.

Generally under current law, local levy limits are applied to the property tax levies that are imposed by a political subdivision in December of each year. Current law prohibits any political subdivision from increasing its levy by a percentage that exceeds its "valuation factor," which is defined as the greater of either zero percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed.

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3 s. 79.04 (5) (a) or (b), the amount that the political subdivision levies in that year to

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5 subdivision may not exceed the amount paid to the political subdivision under s.

6 79.04 (5) (a) 1. or (b) 1. less the amount to be paid to the political subdivision under

7 s. 79.04 (5) (a) or (b) in the year in which the levy is imposed.

(END)

A revenue reduction is incurred under this subdivision only when a political subdivision receives a payment under s. 79.04 (5) (a) or (b) in the current year that is less than the payment under s. 79.04 (5) (a) or (b) in the previous year.



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1468/P3
EVM:amn

RMB

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

No changes

5/22/19

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