

1977 Assembly Bill 1260

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## CHAPTER 423, Laws of 1977

AN ACT to amend 15.435 (1) and 70.395 (1) (a) and (b) and (2) (d) (intro.) and 1; and to create 25.17 (1) (c), 25.65, 70.395 (2) (d) 3 and (i) and 70.396 of the statutes, relating to revisions in the metalliferous mineral mining tax and granting rule-making authority.

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

SECTION 1. 15.435 (1) of the statutes, as created by chapter 31, laws of 1977, is amended to read:

15.435 (1) INVESTMENT AND LOCAL IMPACT FUND BOARD. There is created an investment and local impact fund board, with rule-making authority, consisting of the secretaries of local affairs and development and revenue or their designees, 2 public members, 2 municipal officials, ~~one~~ 2 county official officials, and one school board member appointed for staggered 4-year terms. If a municipal or county official or a school board member leaves office while serving on the board, the member's position on the board shall be considered vacant until a successor is appointed under s. 15.07 (1) (b). One of the public members and one of the local officials shall reside in a county or school district in which metalliferous mineral development is occurring or in an adjacent county or school district and one local official shall reside in a county or school district in which metalliferous minerals are extracted or an adjacent county or school district. One municipal official member shall be recommended by the league of Wisconsin municipalities. One municipal official shall be recommended by the Wisconsin towns association. The school board member shall be recommended by the Wisconsin association of school boards. The county official officials shall be recommended by the Wisconsin county boards association.

SECTION 2. 25.17 (1) (c) of the statutes is created to read:

25.17 (1) (c) County mining investment fund (s. 25.65).

SECTION 3. 25.65 of the statutes is created to read:

**25.65 County mining investment fund.** (1) DEFINITIONS. In this section:

- (a) "Board" means the state investment board.
- (b) "County funds" mean payments received by counties under s. 70.395 (2) (d) 1.
- (c) "County government" means any county in this state.
- (d) "County official" means each officer or employe of a county government who by law or vote of the governing body of the county government is made custodian of county funds.
- (e) "Fund" means the county mining investment fund.

(2) CREATION. There is established under the control of the board a county mining investment fund with a separate and identifiable account within the fund for each county government.

(3) COUNTY GOVERNMENTS AUTHORIZED TO PLACE COUNTY FUNDS IN FUND. With the consent of the county board a county official may transfer a maximum of 10% of any county funds received in a year under s. 70.395 (2) (d) 1 to the state treasurer for deposit in the fund. A county official may authorize the investment and local impact fund board to transfer the county funds to the state treasurer for the county.

(4) PERIOD OF INVESTMENTS; WITHDRAWAL OF FUNDS. Subject to the restrictions in this subsection the state treasurer shall prescribe the mechanisms and procedures for deposits and withdrawals. The mechanisms and procedures shall include a requirement for review and approval by the investment and local impact fund board of all withdrawals made within 10 years of deposit. The state treasurer shall notify the investment and local impact fund board of all withdrawals made 10 years or more after deposit. Withdrawals shall be made only to cover the costs of alleviating impacts due to the closing of a metalliferous mine in the county or the curtailment of metalliferous mining activity in the county.

(5) INVESTMENT POLICIES. The board shall formulate policies for the investment and reinvestment of moneys in the fund and the acquisition, retention, management and disposition of the investments.

(6) REIMBURSEMENT OF EXPENSES. The state treasurer shall deduct quarterly a maximum of 0.25% of the amount of income received from the earnings of the fund during the preceding calendar quarter for all actual and necessary expenses incurred by the state in administering the fund.

(7) SEPARATE ACCOUNTS. (a) The department of administration shall keep a separate account for each county government and shall record the individual amounts and the totals of all investments of each county government's moneys in the fund.

(b) The state treasurer shall report quarterly to each county official the deposits and withdrawals of the preceding quarter and any other activity within the account.

SECTION 4. 70.395 (1) (a) and (b) of the statutes, as created by chapter 31, laws of 1977, are amended to read:

70.395 (1) (a) ~~Fifty~~ Forty percent to the general fund.

(b) ~~Fifty~~ Sixty percent to the investment and local impact fund.

SECTION 5. 70.395 (2) (d) (intro.) of the statutes, as affected by chapter 31, laws of 1977, is amended to read:

70.395 (2) (d) (intro.) Annually, on the first Monday in ~~December~~ January, from the fund, the department of administration shall distribute, upon certification of the board:

SECTION 6. 70.395 (2) (d) 1 of the statutes, as affected by chapters 31 and 185, laws of 1977, are amended to read:

70.395 (2) (d) 1. To each county in which metalliferous minerals are extracted, 20% of the tax collected annually under ss. 70.38 to 70.39 from persons extracting metalliferous minerals in the county, or the maximum guaranteed payment, whichever is less, to be used for metalliferous mining related purposes listed under ss. 70.395 (2) (g) and 70.397, and other metalliferous mining related purposes as defined by the board. The maximum guaranteed payment shall be ~~\$300,000~~ \$750,000. If any county receives the \$750,000 maximum guaranteed payment in any year, then in subsequent years the maximum guaranteed payment with respect to all counties that may be eligible therefor shall be \$750,000 plus \$300,000 \$750,000 multiplied by the percentage difference between the consumer price index for the previous taxable year and the consumer price index for the base period (calendar year 1977). The base period is the calendar year that a county first receives the \$750,000 maximum guaranteed payment. In this subdivision, "consumer price index" means the average consumer price index over each 12-month period (all item - U.S. city average) as determined by the bureau of labor statistics of the U.S. department of labor. A payment to which a county would otherwise be entitled under this subdivision may be reduced at any time if the board determines that the payment would create a tax island or public service expenditure island or that the funds are being used for non-mining related purposes. The board shall establish guidelines to determine when a tax island or public service expenditure island exists. The board shall consider factors such as per capita income, property tax rates, tax bases, per capita and total expenditures, the manner in which the payment is used and other appropriate information in making a determination. If a county is otherwise entitled to receive the maximum guaranteed payment in any year in the amount of \$750,000, or a larger amount, then under no circumstances may the maximum guaranteed payment be reduced to an amount less than \$300,000. Any county receiving payments under this subdivision is required to file an expenditure report with the board by March 1 of the year following the year that the funds are received. The expenditure report shall detail the purposes for which the funds were used and the amount appropriated to each purpose. By June 1 of the year following the year that the funds are received, the board shall notify the county of any reductions in the payment to be made the following year. The county shall have until the following July 1 to appeal any reductions to the board. If, after decision on the appeal by the board, the county still feels aggrieved, further appeals shall be made to the circuit court of the county.

SECTION 7. 70.395 (2) (d) 3 of the statutes is created to read:

70.395 (2) (d) 3. Where the tax under s. 70.37 to 70.39 is in respect to a mining site which is located in more than one county or municipality the distribution under subs. 1 and 2 shall be as follows:

a. On or before February 10 of each year persons extracting metalliferous minerals in this state shall report to the department the amount of crude ore extracted from each municipality and county in the state in the previous year. The data shall detail the total amount of crude ore extracted from each mine and the portion of the total taken from each municipality and county. This data shall be included in the report required by s. 70.38 (1) and (2).

b. Each municipality's proportion of the amount determined under subd. 2 shall be equal to the ratio of the amount of crude ore extracted from the mine in that municipality to the total amount of crude ore extracted from the mine multiplied by the amount determined under subd. 2.

c. Each county's proportion of the amount determined under subd. 1 shall be equal to the ratio of the amount of crude ore extracted from the mine in that county to the total amount of crude ore extracted from the mine multiplied by the amount determined under subd. 1.

SECTION 8. 70.395 (2) (i) of the statutes is created to read:

70.395 (2) (i) The board may require financial audits of all recipients of payments made under this section. The board shall require that all funds received from the board be placed in a segregated account. The financial audit may be conducted as part of a municipality's or county's annual audit, if one is conducted. The cost of the audits shall be paid by the board from the appropriation under s. 20.566 (2) (f).

SECTION 9. 70.396 of the statutes is created to read:

**70.396 Use of metalliferous mining tax payments by counties.** Counties receiving payments under s. 70.395 shall expend the funds for any or all of the following uses:

(1) To alleviate metalliferous mining related impacts, including those listed under s. 70.395 (2) (g), and other metalliferous mining related purposes as defined by the investment and local impact fund board.

(2) A maximum of 10% of an annual payment may be placed in the county mining investment fund for investment by the state investment board or it may be placed in a segregated account with a financial institution located in the state. The funds may be withdrawn only at a later date to alleviate impacts associated with the closing of a metalliferous mine in the county or the curtailment of metalliferous mining activity in the county. If a county deposits mining impact funds in the county mining investment fund, withdrawals from the fund shall be subject to the restrictions described under s. 25.65 (4). If a county deposits mining impact funds with a financial institution located in this state, withdrawals made within 10 years of deposit shall be subject to the review and approval of the investment and local impact fund board. The county shall notify the board of withdrawals made 10 years after deposit. The county shall report annually to the impact board any deposits, withdrawals and use of mining impact funds in that year.

(3) A maximum of \$25,000 annually may be distributed by a county to any town, city or village in the county where the extraction of metalliferous minerals is occurring.

**SECTION 10. Term of 2nd county official.** The appointment of the 2nd county official member to the investment and local impact fund board by this act shall be made for a term to expire at the same time as the expiration of the school board member of the board.

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