



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0906/P2
JK:jld:ph

DOA:.....Quinn, BB0318 - Expenditure restraint intergovernmental contracting adjustment

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

LOCAL GOVERNMENT

Under current law, a municipality may receive an expenditure restraint payment if its municipal budget has not increased from the previous year by more than the sum of an inflation factor and a valuation factor. The valuation factor is, generally, 60 percent of the municipality's property value. The inflation factor is the average annual percentage change in the U.S. consumer price index.

Under current law, for purposes of determining a municipality's eligibility for an expenditure restraint payment, if a municipality transfers to another governmental unit responsibility for providing any service that the municipality provided in the preceding year, it may not include in its budget the cost incurred to provide that service. However, if a municipality increases the services that it provides by adding responsibility for providing a service transferred to it from another governmental unit, it may include in its budget the cost incurred to provide that service.

Under this bill, if a municipality makes payments to another governmental unit for providing a service, the amount of the payments are included in the municipality's budget for purposes of determining its eligibility for an expenditure restraint payment. If a municipality receives payments from another governmental unit for providing a service, the amount of the payments are not included the

municipality's budget for purposes of determining its eligibility for an expenditure restraint payment.

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:

SECTION 1. 79.05 (6) (a) of the statutes is amended to read:

79.05 (6) (a) If a municipality transfers to another governmental unit responsibility for providing any service that the municipality provided in the preceding year, its budget for the preceding year shall be decreased to reflect the cost that the municipality incurred to provide that service, as determined by the department of revenue, except that, if the municipality makes payments to the other governmental unit for providing the service, pursuant to a contract, the amount of the payments are included in its budget for the year the payments are made for the purpose of determining eligibility under sub. (2) (c).

SECTION 2. 79.05 (6) (b) of the statutes is amended to read:

79.05 (6) (b) If a municipality increases the services that it provides by adding responsibility for providing a service transferred to it from another governmental unit in any year, its budget for the preceding year shall be increased to reflect the cost of that service, as determined by the department of revenue, except that, if the municipality receives payments from the other governmental unit for providing the service, pursuant to a contract, the amount of the payments are not included in its budget for the year in which the payments are received for the purpose of determining eligibility under sub. (2) (c).

SECTION 9337. Initial applicability; Revenue.

(1) EXPENDITURE RESTRAINT PROGRAM. The treatment of section 79.05 (6) (a) and (b) of the statutes first applies to payments made in 2014.

(END)