



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-1832/P1
JK:emw

DOA:.....Martin, BB0514 - Additional county and municipal aid payments
- LCO Case

FOR 2023-2025 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

SHARED REVENUE

Nontaxable reservation property

This bill provides an additional county and municipal aid payment for certain towns and counties that will no longer be able to impose property taxes on property located within the boundaries of an American Indian reservation and owned by the tribe or tribal members. A federal court recently held that, pursuant to the 1854 Treaty of La Pointe, the state and its political subdivisions are prohibited from taxing all real property within the Bad River, Lac Courte Oreilles, Lac du Flambeau, and Red Cliff reservations if that property is owned by the tribe or by one or more tribal members, regardless of whether the property was previously owned by a person other than the tribe or a tribal member. See *Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin v. Evers*, 46 F.4th 552 (7th Cir. 2022).

Under the bill, DOA determines the amount of the payments to the affected towns and counties for the payments in 2024. In 2025, and in each year thereafter, the amount of the payment a town or county receives is the amount received in the previous year, less 10 percent. No payments are made under the bill after the distribution in 2033.

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. 20.835 (1) (db) of the statutes is amended to read:

20.835 (1) (db) *County and municipal aid account.* A sum sufficient to make payments to counties, towns, villages, and cities under s. 79.035, less the amount paid from the appropriation under par. (r), not including the payments under s. 79.035 (9).

SECTION 2. 20.835 (1) (dd) of the statutes is created to read:

20.835 (1) (dd) *County and municipal aid; special supplement.* The amounts in the schedule to make payments to towns and counties under s. 79.035 (9).

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 3. 79.035 (9) of the statutes is created to read:

79.035 (9) (a) Beginning with the distributions in 2024 and ending with the distributions in 2033, the following towns and counties shall receive a payment from the appropriation account under s. 20.835 (1) (dd) in an amount determined by the department of administration under par. (b):

1. The Town of Gingles.
2. The Town of Sanborn.
3. The Town of White River.
4. The Town of Russell.
5. The Town of Sherman.
6. The Town of Bass Lake.
7. The Town of Lac du Flambeau.

8. Ashland County.
9. Bayfield County.
10. Iron County.
11. Sawyer County.
12. Vilas County.

(b) For the distribution in 2024, the department of administration shall determine the amount of the payment to each town and county under par. (a) to compensate the town or county for the loss of property tax revenue as a result of not being able to legally impose local general property taxes on property located within the boundaries of an American Indian reservation and owned by the tribe or tribal members, consistent with the 1854 Treaty of La Pointe. In 2025, and in each year thereafter, each town and county eligible to receive a payment under this subsection shall receive a payment in an amount that is 10 percent less than the amount of the payment in the previous year. The department of administration shall not make a payment under this subsection after the distribution in 2033.

(END)