



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2005 Senate Bill 115**

**Senate Amendment 1**

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Under *current law*, the state makes utility aid payments to municipalities (cities, villages, and towns) and counties in which power plants, substations, and general structures used by electric public utilities, qualified wholesale electric companies, electric cooperatives, and municipal electric companies are located, in lieu of the property tax revenues that the municipalities and counties would receive if the facilities were taxable industrial property. The amount of the annual aid distribution for an electric public utility, qualified wholesale electric company, electric cooperative, or municipal electric utility that begins operation after December 31, 2003 is the capacity of the plant expressed in megawatts, times \$2,000. If the plant is located in a city or village, the municipality receives 2/3 of this amount and the county receives 1/3. If the plant is located in a town, the town receives 1/3 of this amount and the county receives the other 2/3. If the plant is located in more than one municipality, the payment is divided among the municipalities in which it is located based on the net book value of the portion of the plant located in each municipality as of December 31, 2004 or the date on which the plant is in operation, whichever is later. In addition to this base payment, every new power plant that is powered by an alternative fuel generates an additional payment of \$1,000 times the facility's capacity to both the municipality and the county.

For purposes of utility aid payment and license fees, current law defines a qualified wholesale electric company as a wholesale merchant plant that has total power production capacity of at least 50 megawatts.

*Senate Bill 115* provides that a qualified wholesale electric company also includes a wholesale merchant plant that is wind farm located in more than one municipality or county, if the wind farm has a cumulative power production capacity of at least 25 megawatts. The bill first applies to utility aid payments made in July 2005. The effective date of the bill is the day after publication.

*Senate Amendment 1* specifies that the bill first applies to utility aid payments made in July 2006. The amendment also changes the effective date of the bill to January 1, 2006.

**Legislative History**

Senate Amendment 1 was offered by Senator Lasee, the author of Senate Bill 115, on October 4, 2005.

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