



**Frank Lasee**  
**WISCONSIN STATE SENATOR**  
 FIRST SENATE DISTRICT



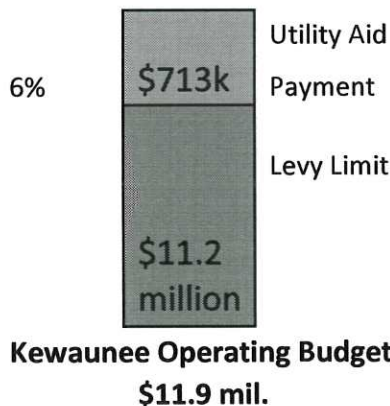
**Joint testimony for Senator Frank Lasee and Representative Joel Kitchens  
 for Senate Bill 252**

Over the last several months, I have been working with officials from the Department of Revenue to address a fiscal problem that has become urgent for Kewaunee County, but is becoming a problem for other counties and municipalities that are hosting power plants that are set to close due to new federal EPA regulations.

Last Friday, both the DOR and the Governor's staff agreed that the only feasible plan that could pass the legislature and be signed by the Governor is the plan that Representative Kitchens and I bring before you today. As we were finalizing the bill language we learned that due to statutory deadlines regarding the payout of utility aid payments, this plan would need to be law by the first week in October.

When utility aid payments were started, there weren't levy limits in place for our municipalities or counties as there are now. Municipalities and counties used their levy and their utility aid payments to account for their operating budgets. In Kewaunee County the utility aid Payment is 6% of Kewaunee's overall budget. Due to current circumstances and current law, Kewaunee would lose all of their utility aid payment this year. Because of the levy limit laws, Kewaunee has no ability to adjust to this sudden budget cliff.

By implementing SB-252, Kewaunee will still lose their utility aid, but gradually until 2019.



As we developed this solution for Kewaunee County, we learned that other counties and municipalities are going to be in the same predicament as Kewaunee is now because of Obama's new EPA regulations against carbon fueled power plants. This bill will help those municipalities, who host power plants around the state, should they have a closure.

Previous legislatures did not predict shutdowns of power plants in Wisconsin and current statutes do not address the sudden budget cliff that would occur when communities who host power plants suddenly lose their utility aid payments. SB-252 will provide those communities with a 5 year graduated reduction in utility aid payments as well.

The 5-year graduated step down in utility aid payments gives Kewaunee County and the other municipalities the time they need to adjust their budgets after the loss of utility aid payments in their budgets.