



**SENATE SUBSTITUTE AMENDMENT 1,  
TO SENATE BILL 468**

December 3, 2021 - Offered by Senator BALLWEG.

1     **AN ACT to amend** 66.0602 (3) (n) 1., 66.0602 (3) (n) 2., 79.04 (5) (a) (intro) and  
2             79.04 (5) (b) (intro); and **to create** 79.005 (1h), 79.04 (8) and 79.04 (9) of the  
3             statutes; **relating to:** changing the phase-out of utility aid payments for  
4             decommissioned power plants.

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***Analysis by the Legislative Reference Bureau***

Under current law, if a power production plant that is exempt from property taxes is decommissioned or closed, and therefore becomes taxable, the county and municipality where the plant is located each receive a utility aid payment for the first five years in which the plant is subject to the property tax, in an amount equal to a percentage of the utility aid payment received for the last year in which the plant was exempt. Under the bill, these post-exemption utility aid payments are made only for a production plant that is decommissioned. Under the bill, “decommissioned” means, with regard to a production plant, the earliest of the following: 1) the production plant is no longer recovered through the utility’s rates; or 2) the production plant is transferred to a person who is not subject to the annual license fees imposed by the state.

The bill also provides that a county and municipality where a power production plant is located may receive a utility aid payment for up to 10 years if the plant is decommissioned because it is transferred to a person who is not subject to the annual

license fees, depending on when the plant is so transferred. In that case, the payment amount is determined by a sliding scale so that, for example, if a power production plant is transferred in the third year in which all power generation units of the plant are no longer generating electricity, the county and municipality receive payments for eight years and the payments decrease each year, with the final payment being 12.5 percent of the amount received for the last year in which the plant was exempt.

The bill also provides that, with regard to a power production plant that has multiple power generation units, the utility aid payment received by a county or municipality will not be reduced on the basis that one or more, but not all, of the power generation units are no longer generating electricity, and the amount of the payment will be the same as the payment received in the year before the year the first power generation unit is no longer generating electricity. In addition, the phase out of utility aid payments under the bill does not begin until the production plant is decommissioned, and the amounts of the phase-out payments are determined on the basis of the amount of the payment received in the year before the year the first power generation unit is no longer generating electricity.

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

1           **SECTION 1.** 66.0602 (3) (n) 1. of the statutes is amended to read:  
2           66.0602 (3) (n) 1. For a political subdivision that receives a payment under s.  
3           79.04 (5) (a) or (b) or (9) (a) to (e), the limit otherwise applicable under this section  
4           is increased by the amount that the political subdivision levies in that year to replace  
5           a revenue reduction incurred under s. 79.04 (5) (a) or (b) or (9) (a) to (e). Subject to  
6           subd. 2., the amount levied under this paragraph for a particular property may not  
7           exceed the amount paid to the political subdivision under s. 79.04 (5) (a) 1. or (b) 1.  
8           or (9) (a) 1., (b) 1., (c) 1., (d) 1., or (e) 1., less the amount to be paid to the political  
9           subdivision under s. 79.04 (5) (a) or (b) or (9) (a) to (e) in the year in which the levy  
10          is imposed and less any amounts previously levied under this paragraph. A revenue  
11          reduction is incurred under this paragraph when the amount received by a political  
12          subdivision under s. 79.04 (5) (a) or (b) or (9) (a) to (e) in the current year is less than  
13          the amount received under s. 79.04 (5) (a) or (b) or (9) (a) to (e) in the previous year.

1           **SECTION 2.** 66.0602 (3) (n) 2. of the statutes is amended to read:

2           66.0602 **(3)** (n) 2. This paragraph applies to revenue reductions for which a  
3           payment under s. 79.04 (5) (a) or (b) or (9) (a) to (e) is made after November 23, 2019.  
4           If the first payment made under s. 79.04 (5) (a) or (b) or (9) (a) to (e) after November  
5           23, 2019, is under s. 79.04 (5) (a) 2. to 5. or (b) 2. to 5. or (9) (a) 1. to 10., (b) 1. to 9.,  
6           (c) 1. to 8., (d) 1. to 7. or (e) 1. to 6., the amount of the payment made under s. 79.04  
7           (5) (a) or (b) or (9) (a) to (e) in the previous year shall be used in determining the  
8           maximum amount of revenue reduction incurred.

9           **SECTION 3.** 79.005 (1h) of the statutes is created to read:

10          79.005 **(1h)** “Decommissioned” means, with regard to a production plant, the  
11          earliest of the following:

12          (a) The production plant is no longer recovered through the utility’s or  
13          cooperative’s rates or, for a production plant owned by a qualified wholesale electric  
14          company, as defined in s. 76.28 (1) (gm), the production plant is no longer generating  
15          electricity.

16          (b) The production plant is transferred to a person who is not subject to the  
17          annual license fee imposed under s. 76.28 (2) or 76.29 (2).

18          **SECTION 4.** 79.04 (5) (a) (intro) of the statutes is amended to read:

19          79.04 **(5)** (a) (intro.) If Except as provided in sub. (9), if property that was  
20          exempt from the property tax under s. 70.112 (4) and that was used to generate power  
21          by a light, heat, or power company, except property under s. 66.0813, unless the  
22          production plant is owned or operated by a local governmental unit located outside  
23          of the municipality, or by an electric cooperative, or by a municipal electric company  
24          under s. 66.0825, is decommissioned ~~or closed~~, the municipality shall be paid, from  
25          the public utility account, an amount equal to the following percentages of the

1 payment that the municipality received under this section during the last year that  
2 the property was exempt from the property tax:

3 **SECTION 5.** 79.04 (5) (b) (intro) of the statutes is amended to read:

4 79.04 (5) (b) (intro.) If Except as provided in sub. (9), if property that was  
5 exempt from the property tax under s. 70.112 (4) and that was used to generate power  
6 by a light, heat, or power company, except property under s. 66.0813, unless the  
7 production plant is owned or operated by a local governmental unit located outside  
8 of the municipality, or by an electric cooperative, or by a municipal electric company  
9 under s. 66.0825, is decommissioned ~~or closed~~, the county shall be paid, from the  
10 public utility account, an amount equal to the following percentages of the payment  
11 the county received under this section during the last year that the property was  
12 exempt from the property tax:

13 **SECTION 6.** 79.04 (8) of the statutes is created to read:

14 79.04 (8) All of the following apply to the payments for property of a production  
15 plant that includes multiple power generation units, except that this subsection  
16 applies only if the production plant's first power generation unit is no longer  
17 generating electricity after the effective date of this subsection .... [LRB inserts date]:

18 (a) No payment received by a municipality or county under sub. (1), (2), (6), or  
19 (7) shall be reduced on the basis that one or more, but not all, of the power generation  
20 units are no longer generating electricity, and the amount of the payment shall be  
21 the amount that the municipality or county received in the year before the year in  
22 which the first power generation unit is no longer generating electricity.

23 (b) The payments under subs. (5) (a) or (b) or (9) shall not be made until the  
24 production plant is decommissioned, and then the payments shall be determined on  
25 the basis of the amount of the payment received by the municipality or county under

1 sub. (1), (2), (6), or (7) in the year before the year in which the first power generation  
2 unit is no longer generating electricity.

3 **SECTION 7.** 79.04 (9) of the statutes is created to read:

4 79.04 (9) (a) For a production plant that is decommissioned as provided under  
5 s. 79.005 (1h) (b) as a result of the plant being transferred within the first year that  
6 all power generation units of the plant are no longer generating electricity, each  
7 municipality and county shall be paid, from the public utility account, an amount  
8 equal to the following percentages of the payment the municipality and county  
9 received under this section during the last year that the property was exempt from  
10 the property tax:

11 1. In the first year that the property is taxable, 100 percent.

12 2. In the 2nd year that the property is taxable, 90 percent.

13 3. In the 3rd year that the property is taxable, 80 percent.

14 4. In the 4th year that the property is taxable, 70 percent.

15 5. In the 5th year that the property is taxable, 60 percent.

16 6. In the 6th year that the property is taxable, 50 percent.

17 7. In the 7th year that the property is taxable, 40 percent.

18 8. In the 8th year that the property is taxable, 30 percent.

19 9. In the 9th year that the property is taxable, 20 percent.

20 10. In the 10th year that the property is taxable, 10 percent.

21 (b) For a production plant that is decommissioned as provided under s. 79.005  
22 (1h) (b) as a result of the plant being transferred in the 2nd year that all power  
23 generation units of the plant are no longer generating electricity, each municipality  
24 and county shall be paid, from the public utility account, an amount equal to the

1 following percentages of the payment the municipality and county received under  
2 this section during the last year that the property was exempt from the property tax:

- 3 1. In the first year that the property is taxable, 100 percent.
- 4 2. In the 2nd year that the property is taxable, 89 percent.
- 5 3. In the 3rd year that the property is taxable, 78 percent.
- 6 4. In the 4th year that the property is taxable, 67 percent.
- 7 5. In the 5th year that the property is taxable, 56 percent.
- 8 6. In the 6th year that the property is taxable, 45 percent.
- 9 7. In the 7th year that the property is taxable, 34 percent.
- 10 8. In the 8th year that the property is taxable, 23 percent.
- 11 9. In the 9th year that the property is taxable, 12 percent.

12 (c) For a production plant that is decommissioned as provided under s. 79.005  
13 (1h) (b) as a result of the plant being transferred in the 3rd year that all power  
14 generation units of the plant are no longer generating electricity, each municipality  
15 and county shall be paid, from the public utility account, an amount equal to the  
16 following percentages of the payment the municipality and county received under  
17 this section during the last year that the property was exempt from the property tax:

- 18 1. In the first year that the property is taxable, 100 percent.
- 19 2. In the 2nd year that the property is taxable, 87.5 percent.
- 20 3. In the 3rd year that the property is taxable, 75 percent.
- 21 4. In the 4th year that the property is taxable, 62.5 percent.
- 22 5. In the 5th year that the property is taxable, 50 percent.
- 23 6. In the 6th year that the property is taxable, 37.5 percent.
- 24 7. In the 7th year that the property is taxable, 25 percent.
- 25 8. In the 8th year that the property is taxable, 12.5 percent.

1 (d) For a production plant that is decommissioned as provided under s. 79.005  
2 (1h) (b) as a result of the plant being transferred in the 4th year that all power  
3 generation units of the plant are no longer generating electricity, each municipality  
4 and county shall be paid, from the public utility account, an amount equal to the  
5 following percentages of the payment the municipality and county received under  
6 this section during the last year that the property was exempt from the property tax:

- 7 1. In the first year that the property is taxable, 100 percent.
- 8 2. In the 2nd year that the property is taxable, 86 percent.
- 9 3. In the 3rd year that the property is taxable, 72 percent.
- 10 4. In the 4th year that the property is taxable, 58 percent.
- 11 5. In the 5th year that the property is taxable, 44 percent.
- 12 6. In the 6th year that the property is taxable, 30 percent.
- 13 7. In the 7th year that the property is taxable, 16 percent.

14 (e) For a production plant that is decommissioned as provided under s. 79.005  
15 (1h) (b) as a result of the plant being transferred in the 5th year that all power  
16 generation units of the plant are no longer generating electricity, each municipality  
17 and county shall be paid, from the public utility account, an amount equal to the  
18 following percentages of the payment the municipality and county received under  
19 this section during the last year that the property was exempt from the property tax:

- 20 1. In the first year that the property is taxable, 100 percent.
- 21 2. In the 2nd year that the property is taxable, 83 percent.
- 22 3. In the 3rd year that the property is taxable, 66 percent.
- 23 4. In the 4th year that the property is taxable, 49 percent.
- 24 5. In the 5th year that the property is taxable, 32 percent.
- 25 6. In the 6th year that the property is taxable, 16 percent.

