



1995 ASSEMBLY BILL 1036

March 14, 1996 - Introduced by Representative SPRINGER, cosponsored by Senator DECKER. Referred to Committee on Ways and Means.

1 **AN ACT** *to renumber* 86.302 (1m); *to renumber and amend* 66.03 (13) (a) and
2 86.303 (4); *to amend* 66.019 (5), 66.03 (5) and 79.006; and *to create* 66.03 (13)
3 (a) 2., 86.302 (1m) (b) and 86.303 (4) (b) of the statutes; **relating to:** newly
4 incorporated municipalities' populations for shared revenue distributions,
5 local transportation aids for newly incorporated cities and villages and taxes
6 levied by newly incorporated cities and villages.

Analysis by the Legislative Reference Bureau

Under current law, if any territory is annexed, detached or incorporated in any year, general property taxes levied against the property are collected by the treasurer of the municipality in which the territory was located on January 1 of the year of annexation, detachment or incorporation. Under this bill and beginning on January 1, 1996, for incorporations that occur in any year on or after January 1 and before April 1, general property taxes levied against the property are treated for property tax purposes as if the territory was incorporated on January 1 of the year in which the territory was incorporated.

Also under current law, the department of transportation (DOT) administers a local transportation aids program, which makes payments to counties and municipalities (cities, villages and towns). Payments to a municipality are based on the greater of a sum determined under a share of costs formula or under an aid rate per mile of roads and streets under the municipality's jurisdiction; the minimum aid rate is \$1,390 per mile during 1996. The costs used in the share of costs formula are the average of actual costs incurred by the municipality over the previous 6 years. For a newly formed municipality, the average costs are based on the number of years for which cost data is available, until actual cost data is available for the previous 6 years. If no cost data is available, DOT may allocate costs between the newly

formed municipality and the municipality from which it was formed until actual cost data is available for each municipality.

This bill changes the method for determining costs to be used in the share of costs formula for a newly formed municipality. Under the bill, costs incurred by the municipality and a municipality formed within the previous 6 years are combined and apportioned to each municipality in proportion to the total mileage of streets and roads under their respective jurisdictions. The bill also requires DOT to use certified plats filed by each municipality when determining the number of miles under each municipality's jurisdiction.

Also under this bill, if a municipality is formed before April 1, the department of administration is required to certify its population and the corrected population of the municipality from which it was formed. Those figures are used in calculating the shared revenue distributions to the 2 municipalities in the next year.

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:

1 **SECTION 1.** 66.019 (5) of the statutes is amended to read:

2 **66.019 (5) TAXES LEVIED BEFORE INCORPORATION; HOW COLLECTED AND DIVIDED.**

3 Whenever a village or city is incorporated from territory within any town or towns,
4 after the assessment of taxes in any year and before the collection of such taxes, the
5 tax so assessed shall be collected by the town treasurer of the town or the town
6 treasurers of the different towns of which such village or city formerly constituted
7 a part, and all moneys collected from the tax levied for town purposes shall be divided
8 between the village or city and the town or the towns, as provided by s. 66.03 (13) (a)
9 1., for the division of property owned jointly by towns and villages.

10 **SECTION 2.** 66.03 (5) of the statutes, as affected by 1995 Wisconsin Act 27, is
11 amended to read:

12 **66.03 (5) APPORTIONMENT BOARD.** The boards or councils of the municipalities,
13 or committees, thereof selected for that purpose, acting together, shall constitute an
14 apportionment board. When any municipality is dissolved by reason of all of its

1 territory being so transferred the board or council thereof existing at the time of such
2 dissolution shall, for the purpose of this section, continue to exist as the governing
3 body of such municipality until there has been an apportionment of assets by
4 agreement of the interested municipalities or by an order of the circuit court. After
5 an agreement for apportionment of assets has been entered into between the
6 interested municipalities, or an order of the circuit court becomes final, a copy of such
7 apportionment agreement, or of such order, certified to by the clerks of the interested
8 municipalities, shall be filed with the department of revenue, the department of
9 natural resources, the department of transportation, the department of education,
10 the department of administration, and with any other department or agency of the
11 state from which the town may be entitled by law to receive funds or certifications
12 or orders relating to the distribution or disbursement of funds, with the county
13 treasurer, with the treasurer of any municipality, or with any other entity from which
14 payment would have become due if such dissolved municipality from which such
15 territory was transferred had continued in existence. Thereafter Subject to ss.
16 79.006 and 86.303 (4), thereafter payments from the shared revenue account made
17 pursuant to ch. 79, payments of forest crop taxes under s. 77.05, of transportation
18 aids under s. 20.395, of state aids for school purposes under ch. 121, payments for
19 managed forest land under subch. VI of ch. 77 and all payments due from a
20 department or agency of the state, from a county, from a municipality, or from any
21 other entity from which payments would have become due if such dissolved
22 municipality from which such territory was transferred had continued in existence,
23 shall be paid to the interested municipality as provided by such agreement for
24 apportionment of assets or by any order of apportionment by the circuit court and

1 such payments shall have the same force and effect as if made to the dissolved
2 municipality from which such territory was transferred.

3 **SECTION 3.** 66.03 (13) (a) of the statutes is renumbered 66.03 (13) (a) 1. and
4 amended to read:

5 66.03 (13) (a) 1. Whenever Subject to subd. 2., if any territory is annexed,
6 detached or incorporated in any year, general property taxes levied against the
7 territory shall be collected by the treasurer of the municipality in which the territory
8 was located on January 1 of such year, and all moneys collected from the tax levied
9 for local municipal purposes shall be allocated to each of the municipalities on the
10 basis of the portion of the calendar year the territory was located in each of the
11 municipalities, and paid accordingly.

12 **SECTION 4.** 66.03 (13) (a) 2. of the statutes is created to read:

13 66.03 (13) (a) 2. If a city or village is incorporated after January 1 and before
14 April 1, the procedures described in subd. 1 shall be applied as if the city or village
15 was incorporated on January 1 of the year in which it was incorporated and the
16 territory shall be treated for purposes of ch. 70 as if the incorporation had occurred
17 on January 1.

18 **SECTION 5.** 79.006 of the statutes is amended to read:

19 **79.006 New incorporations.** ~~In the case of municipalities formed after 1976,~~
20 ~~the~~ The information needed for the determinations under this chapter shall be
21 calculated as follows: for those years for which the necessary data does not exist, the
22 data for the new municipality and the municipality from which it was formed shall
23 be combined and the sum shall be apportioned to each municipality in proportion to
24 its respective full value in the first year of assessment of the new municipality; if the
25 municipality is formed before April 1, the department of administration shall certify

1 the population of the newly created municipality, and the corrected population of the
2 municipality from which it was formed, and those figures shall be used for
3 distributions under this chapter in the year after the incorporation.

4 **SECTION 6.** 86.302 (1m) of the statutes is renumbered 86.302 (1m) (a).

5 **SECTION 7.** 86.302 (1m) (b) of the statutes is created to read:

6 86.302 **(1m)** (b) Upon incorporation of a village or city, the board of the village
7 and the governing body of the city shall file with the department and with the county
8 clerk a certified plat of the village or city showing the roads and streets under its
9 jurisdiction and the mileage thereof to be open and used for travel as of the date of
10 incorporation, which may be used by the department in making computations of
11 transportation aids. One-half of the mileage of roads or streets on boundary lines
12 shall be considered as lying in the village or city.

13 **SECTION 8.** 86.303 (4) of the statutes is renumbered 86.303 (4) (a) and amended
14 to read:

15 86.303 **(4)** (a) The multiyear average costs used to determine the share of cost
16 aids amount for local units of government shall be based on the 6 most recent years
17 for which actual costs are available. ~~Multiyear average costs for a newly~~
18 ~~incorporated municipality shall be based on the number of years for which cost data~~
19 ~~is available until average cost data is based on 6 years of actual costs. If no cost data~~
20 ~~is available for a newly incorporated municipality, the department may allocate costs~~
21 ~~for the municipality until actual cost data is available.~~

22 **SECTION 9.** 86.303 (4) (b) of the statutes is created to read:

23 86.303 **(4)** (b) In the case of municipalities formed within the previous 6 years,
24 the information needed for the determinations under this section shall be calculated
25 as follows: for those years for which the necessary data does not exist, the data for

1 the new municipality and the municipality from which it was formed shall be
2 combined and the sum shall be apportioned to each municipality in proportion to the
3 total mileage of roads and streets under their respective jurisdictions. In making
4 these calculations, the department shall use the certified plats filed under s. 86.302
5 (1).

6 **SECTION 10. Initial applicability.**

7 (1) The treatment of sections 66.019 (5), 66.03 (5) and (13) (a) and 79.006 of the
8 statutes and the creation of section 66.03 (13) (a) 2. of the statutes first apply to
9 incorporations that occur on January 2, 1996.

10 (END)