

State of Misconsin 2019 - 2020 LEGISLATURE

LRB-1468/1 EVM:amn

## **2019 ASSEMBLY BILL 235**

May 23, 2019 – Introduced by Representatives KERKMAN, SNYDER, SPIROS and STEFFEN, cosponsored by Senator WANGGAARD. Referred to Committee on Energy and Utilities.

1 AN ACT to create 66.0602 (3) (e) 10. of the statutes; relating to: exception from

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local levy limits for political subdivisions receiving certain utility aid payments.

## Analysis by the Legislative Reference Bureau

This bill creates a levy limit exception for political subdivisions that receive certain utility aid payments.

Generally under current law, local levy limits are applied to the property tax levies that are imposed by a political subdivision in December of each year. Current law prohibits any political subdivision from increasing its levy by a percentage that exceeds its "valuation factor," which is defined as the greater of either zero percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed.

Current law contains a number of exceptions to the levy limit, such as amounts a county levies for a countywide emergency medical system, for a county children with disabilities education board, and for certain bridge and culvert construction and repair. In addition, a political subdivision may exceed the levy limit that is otherwise applicable if its governing body adopts a resolution to do so and if that resolution is approved by the electors in a referendum.

Also under current law, if a power plant that is exempt from property taxes is decommissioned or closed, and therefore becomes taxable, the county and municipality where the plant is located receive a utility aid payment from the state 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 that the county or municipality received for the last year in which the plant was exempt. The percentage decreases by 20 percent each year.

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This bill creates a levy limit exception for a political subdivision that is receiving these utility aid payments. The amount that is exempt from the levy limit is equal to the full amount of the utility aid in the first year less the amount of the utility aid to be paid to the political subdivision in the year in which the levy is imposed.

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.** 66.0602 (3) (e) 10. of the statutes is created to read:

2 66.0602 (3) (e) 10. For a political subdivision that will receive a payment under

3 s. 79.04 (5) (a) or (b), the amount that the political subdivision levies in that year to

4 replace a revenue reduction incurred under s. 79.04 (5) (a) or (b). The amount levied

5 under this subdivision may not exceed the amount paid to the political subdivision

6 under s. 79.04 (5) (a) 1. or (b) 1. less the amount to be paid to the political subdivision

7 under s. 79.04 (5) (a) or (b) in the year in which the levy is imposed. A revenue

8 reduction is incurred under this subdivision only when a political subdivision

9 receives a payment under s. 79.04 (5) (a) or (b) in the current year that is less than

10 the payment under s. 79.04 (5) (a) or (b) in the previous year.

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(END)