2019 SENATE BILL 207

May 15, 2019 – Introduced by Senators MARKLEIN, FEYEN, NASS and OLSEN, cosponsored by Representatives KITCHENS, BALLWEG, BRANDTJEN, HORLACHER, KULP, KURTZ, TITTL and VANDERMEER. Referred to Committee on Education.

1   **AN ACT** *to amend* 121.90 (2) (am) 1.; and *to create* 20.255 (2) (bq) and 121.134

2   of the statutes; **relating to:** supplemental state aid for consolidated school

3   districts and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a new aid program for certain consolidated school districts. To be eligible for this aid, the consolidation that created the consolidated school district must take effect on or after July 1, 2020, and the consolidated school district's maximum allowable levy rate must be greater than the lowest levy rate of the school districts that were consolidated to create the school district (underlying school districts). In general, the levy rate of a school district is the total amount of property taxes levied by the school district divided by the school district's equalized value.

If a consolidated school district satisfies the above-described criteria, in the first school year following the consolidation, the consolidated school district is entitled to aid in an amount equal to the consolidated school district's equalized value multiplied by the difference between the maximum allowable levy rate of the consolidated school district and the lowest levy rate of the underlying school districts (base aid amount). In the second school year following the consolidation, the consolidated school district is entitled to aid in an amount equal to 80 percent of the base aid amount. In the third school year following the consolidation, the consolidated school district is entitled to aid in an amount equal to 60 percent of the base aid amount. The amount of the aid continues to be reduced by 20 percent each school year so that in the sixth school year following the consolidation, the consolidated school district no longer receives this aid.

Current law limits the total amount of revenue a school district may receive from general state aids and property taxes in a school year. This limitation is known as a school district's revenue limit. The new aid provided under the bill is a general state aid for purposes of school district revenue limits. As a result, the new aid reduces the amount of property taxes that the consolidated school district is allowed to levy.

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.** 20.255 (2) (bq) of the statutes is created to read:

2   20.255 **(2)** (bq) *Supplemental state aid for consolidated school districts.* A sum

3   sufficient to pay state aid to eligible consolidated school districts under s. 121.134.

4   **SECTION 2.** 121.134 of the statutes is created to read:

5   **121.134 Supplemental state aid; consolidated school districts. (1)** In

6   this section:

7   (a) "Consolidated school district" means a school district created by a

8   consolidation under s. 117.08 or 117.09 that takes effect on or after July 1, 2020.

9   (b) "Levy rate" means the total amount of property taxes levied by a school

10   district divided by the school district's equalized valuation.

11   (c) "Underlying school district" means a school district that is consolidated to

12   create a consolidated school district.

13   **(2)** The department shall determine whether a consolidated school district is

14   eligible for aid under this section as follows:

15   (a) Calculate the levy rate for each underlying school district in the school year

16   prior to the school year in which the consolidation takes effect.

17   (b) Identify the lowest levy rate calculated under par. (a).

1   (c) Calculate the levy rate for the consolidated school district for the school year

2   in which the consolidation takes effect, assuming that the consolidated school

3   district will levy the maximum amount allowable under s. 121.91 for that school year

4   and will not receive aid under this section for that school year.

5   (d) If the levy rate under par. (c) is equal to or less than the levy rate under par.

6   (b), the consolidated school district is not eligible for aid under this section.

7   (e) If the levy rate under par. (c) is more than the levy rate under par. (b), the

8   consolidated school district is eligible for aid under this section.

9   **(3)** The department shall pay a consolidated school district that is determined

10   to be eligible for aid under sub. (2) (e), the following amounts:

11   (a) In the school year in which the consolidation takes effect, an amount

12   calculated as follows:

13   1. Subtract the levy rate identified under sub. (2) (b) from the levy rate

14   determined under sub. (2) (c).

15   2. Multiply the amount amount under subd. 1. by the consolidated school

16   district's equalized valuation for the school year in which the consolidation takes

17   effect.

18   (b) In the school year following the school year in which the consolidation takes

19   effect, 80 percent of the amount determined under par. (a)

20   (c) In the 2nd school year following the school year in which the consolidation

21   takes effect, 60 percent of the amount determined under par. (a).

22   (d) In the 3rd school year following the school year in which the consolidation

23   takes effect, 40 percent of the amount determined under par. (a).

24   (e) In the 4th school year following the school year in which the consolidation

25   takes effect, 20 percent of the amount determined under par. (a).

1   **SECTION 3.** 121.90 (2) (am) 1. of the statutes is amended to read:

2   121.90 **(2)** (am) 1. Aid under ss. 121.08, 121.09, 121.105, 121.134, and 121.136

3   and subch. VI, as calculated for the current school year on October 15 under s. 121.15

4   (4) and including adjustments made under s. 121.15 (4).

5   **(END)**