



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #112

Transfer Administration of Payments for Municipal Services (DOA -- Transfers from the Department)

[LFB 2009-11 Budget Summary: Page 45, #7]

CURRENT LAW

Through the payments for municipal services program (PMS), the state provides annual payments to reimburse municipalities for all or a portion of property tax supported expenses incurred in providing services to state facilities, which are exempt from property taxes. Payments are made for fire and police protection, extraordinary police services, garbage and trash collection and disposal and other direct services. Currently, the Department of Administration (DOA) is responsible for administering the payments for municipal services program.

GOVERNOR

Delete \$43,200 PR and 0.5 PR position annually relating to transferring administration of payments for municipal services to the Department of Revenue (DOR). The transfer would first apply to the payments made in 2009.

DISCUSSION POINTS

1. Assembly Bill 75 would transfer the administration of the PMS program from DOA to DOR. Under the transfer, AB 75 would delete 0.5 PR position and \$43,200 PR in DOA, but would not provide resources to DOR to operate the program.

2. Currently, DOA has 0.5 PR position for payments to municipal service functions; the current staff person is split between PMS functions and other demographic services. The position is funded from agency assessments based on facilities dedicated to each agency. Under the

bill, this position authority would be deleted.

3. On April, 23, 2009, the Committee, in executive action regarding DOR -- Tax Administration, voted to remove the provision from AB 75 that would have transferred the responsibility of administering the payment for municipal services (PMS) program from DOA to DOR. The Committee action did not, however, address the funding and position deletion in DOA.

4. Now that the Committee has decided to retain the program in DOA, it could restore the 0.5 position and related funding [Alternative 2].

5. However, in that the administration believed that DOR could operate the program without additional resources, the Committee could apply that reasoning to DOA and approve the Governor's recommendation [Alternative 1].

ALTERNATIVES

1. Approve the Governor's recommendation to delete funding and position authority in DOA for the PMS program.

2. Delete the Governor's recommendation.

ALT 2	Change to Bill	
	Funding	Positions
PR	\$86,400	0.50

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