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## WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

One East Main Street, Suite 401; P.O. Box 2536; Madison, WI 53701-2536

Telephone: (608) 266-1304

Fax: (608) 266-3830

Email: leg.council@legis.state.wi.us

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DATE: March 2, 1999

TO: SENATOR ROBERT WIRCH, CHAIRPERSON, SENATE COMMITTEE  
ON ECONOMIC DEVELOPMENT, HOUSING AND GOVERNMENT  
OPERATIONS

FROM: Dan Fernbach, Senior Staff Attorney

SUBJECT: 1999 Senate Bill 40, Relating to Shared-Revenue Payments for Former Utility  
Property

1999 Senate Bill 40 was introduced by Senator Breske on February 16, 1999 and referred to the Senate Committee on Economic Development, Housing and Government Operations. A public hearing on the bill has been scheduled for March 11, 1999.

### A. PRESENT LAW

Under current law, most of the property that public utilities (light, heat or power companies) own is subject to a state tax and is *exempt from the local property tax*. In lieu of property taxes, counties and municipalities where such property is located *receive shared-revenue payments* from the state. However, if such property is sold and becomes subject to property taxes, the shared-revenue payments stop.

### B. PROVISIONS OF SENATE BILL 40

Senate Bill 40 provides that when public utility property is sold or otherwise decommissioned, shared-revenue payments are not immediately terminated but are *phased out over a five-year period*. Specifically, after the first year that the property is taxable, shared-revenue payments are decreased annually by 20% until such payments are eliminated. The bill would initially apply to shared-revenue payments made in the year 2001.

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