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Details:

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2007-08

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Labor, Elections and Urban Affairs (SC-LEUA)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Senate

Record of Committee Proceedings

Committee on Labor, Elections and Urban Affairs

Senate Bill 528

Relating to: expanding an exception to local levy limits for levies for debts incurred by a joint fire department.

By Senators Lassa and Olsen; cosponsored by Representatives Hines, Albers, Ballweg, Montgomery and Townsend.

February 25, 2008 Referred to Committee on Labor, Elections and Urban Affairs.

March 5, 2008 **PUBLIC HEARING HELD**

Present: (4) Senators Coggs, Wirch, Lehman and Grothman.

Absent: (1) Senator A. Lasee.

Appearances For

- Julie Lassa — Senator

Appearances Against

- None.

Appearances for Information Only

- None.

Registrations For

- Mike Drury — Professional Firefighters of Wisconsin
- J.A. Hines — Representative
- Rick Gale — Professional Firefighters of Wisconsin
- Luther Olsen — Senator

Registrations Against

- None.

Registrations for Information Only

- None.

March 5, 2008 **EXECUTIVE SESSION HELD**

Present: (4) Senators Coggs, Wirch, Lehman and Grothman.

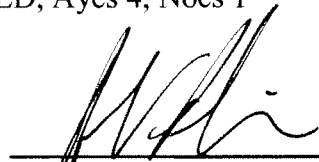
Absent: (1) Senator A. Lasee.

Moved by Senator Lehman, seconded by Senator Grothman that
Senate Bill 528 be recommended for passage.

Ayes: (4) Senators Coggs, Wirch, Lehman and
Grothman.

Noes: (1) Senator A. Lasee.

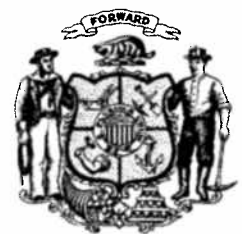
PASSAGE RECOMMENDED, Ayes 4, Noes 1



Adam Plotkin
Committee Clerk



WISCONSIN STATE LEGISLATURE



Vote Record

Committee on Labor, Elections and Urban Affairs

Date: **Wednesday, March 5, 2008**

Moved by: LEHMAN Seconded by: GROTHMAN

AB _____ SB **528** _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:
 Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

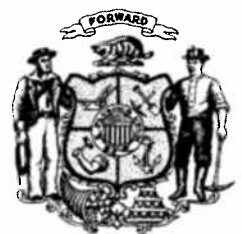
<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Spencer Coggs, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Robert Wirch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator John Lehman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Glenn Grothman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Alan Lasee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	_____	_____	_____	_____

Motion Carried

Motion Failed



WISCONSIN STATE LEGISLATURE





State of Wisconsin • DEPARTMENT OF REVENUE

2135 RIMROCK RD. • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933
PHONE (608) 266-8488 • FAX (608) 266-5718 • <http://www.revenue.wi.gov>

Jim Doyle
Governor

Roger M. Ervin
Secretary of Revenue

Senate Committee on Labor, Elections and Urban Affairs Hearing, March 5, 2008

2007 SB 528 – Regarding Expanding an Exemption to Local Levy Limits for Levies for Debts Incurred by a Joint Fire Department -- Senator Lassa

Description of Current Law and Proposed Change

Under current law, for the tax levy imposed in December 2008, a municipality generally may not increase its levy by a percentage that is greater than 2% or the percentage increase in the municipality's equalized value due to net new construction. The law permits several exceptions and adjustments when calculating the limit, such as the cost of services transferred to or from another government, annexations of territory, debt service on debts authorized on or after July 1, 2005, and for revenue shortfalls on any municipal-issued revenue bond.

The bill creates a new exception to the municipal levy limit. Under this exception, revenue shortfalls on revenue bonds issued by a joint fire department that serves a municipality will qualify for the exemption if (a) the bonds were issued for the joint fire department, but the debt is ultimately the responsibility of the participating municipalities, (b) the joint fire department used the bond proceeds to pay for a fire station, and (c) the municipalities participating in the joint fire department are assessed their share of the debt service on the bonds.

Fairness/Tax Equity

- If a municipality borrows money to build a fire station, the debt service on the borrowing would be exempt from the levy limit. Under current law, the exemption does not apply to debt incurred by a joint fire department since the debt is not a direct debt of the municipality. The bill eliminates this difference in treatment.

Impact on Economic Development

- The bill has no impact on economic development.

Administrative Impact/Fiscal Effect

- The Department of Revenue (DOR) is aware of one joint fire department to which the bill would apply – the Oxford Fire District, which serves the Village of Oxford and Town of Oxford in Marquette County and the Town of Jackson in Adams County. There may be other joint fire departments to which the provisions of the bill will apply.
- The financial data collected by DOR from municipalities does not show the amount of debt for which a municipality could be liable due to bonds issued by a joint fire department. In addition, fire departments do not file financial statements with DOR. Although it is not

possible to estimate the additional property taxes that municipalities could impose if the bill were enacted, given the limitations on when the exception applies, the potential increase in statewide municipal property taxes is expected to be minimal. The bill may, however, have a distinct impact on specific municipalities.

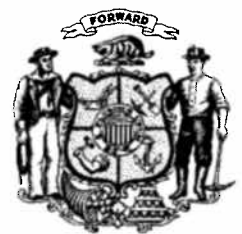
- DOR administrative costs are expected to be minimal.

Contact: Sherrie Gates-Hendrix, (608) 267-1262

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WISCONSIN STATE LEGISLATURE





JULIE LASSA

STATE SENATOR

Senate Bill 528 Testimony
Senate Committee on Labor, Elections, and Urban Affairs
Room 201 Southeast
11:00 a.m.

March 5
2008
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Chairman Coggs and Committee Members,

Thank you for the opportunity to testify today on Senate Bill 528, which I am proud to co-author with Representative Hines at the request of several municipalities in our districts which have joined together to create a joint fire district.

To give you some background, I was approached along with Representative Hines by the Oxford Fire District (which includes the Village and Town of Oxford, and the Town of Jackson) with a concern regarding the building of the Fire District's new fire station. Senate Bill 528 would address their concern, as it relates to expanding an exception in the local levy limits for debts incurred by such joint fire departments.

In the recent state budget, the legislature included an exemption for revenue bonds from the levy caps for individual municipalities. It was the understanding of the Legislative Fiscal Bureau that this exception would apply to payments a municipality made to a joint fire department, such as the Oxford Fire District, to pay off its revenue bonds.

Since passing the budget, however, the Department of Revenue's interpretation was that this was not the case. Revenue instead stated that since a joint fire department was not considered a "political subdivision" and therefore not subject to the levy caps, the revenue exception for the municipalities in the district would not apply to joint fire departments.

The original purpose of allowing the creation of joint fire departments was to allow municipalities to pool their resources together to save taxpayers money, an admirable goal and a valid place for efficiencies in government. Unfortunately though, under the current interpretation, if a joint fire department needs to build a

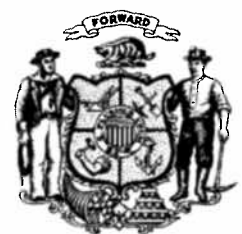
new fire station, they'd actually be better off going at it alone. Without the exemption, these municipalities are essentially being penalized by the state for trying to provide better fire coverage because they tried to save money.

Since it was the intent of the Legislature during the budget process to exclude these payments from local levy limits, SB 528 states that payments made by a municipality to a joint fire department to pay off a revenue bond held by a joint fire department for the construction of a fire station, would be exempt from the levy caps.

Thank you for your time and consideration of this legislation. I'd be happy to answer any questions that you might have.



WISCONSIN STATE LEGISLATURE



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- ▶ Organizations employing lobbyists
- ▶ Lobbyists



as of Monday, March 03, 2008

2007-2008 legislative session
Legislative bills and resolutions

(search for another legislative bill or resolution at the bottom of this page)

Senate Bill 528

expanding an exception to local levy limits for levies for debts incurred by a joint fire department. (FE)

TEXT
sponsors
LBR analysis

STATUS
committee actions and
votes
text of amendments

COST & HOURS
of lobbying efforts
directed at this
proposal

Organization		These organizations have reported lobbying on this proposal:	Date Notified	Position	Comments
Profile	Interests			2/24/2008	?

Select a legislative proposal and click "go"

House

Proposal Type

Proposal Number (enter proposal number)

Legislative Session