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CO-CHAIR, JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

41st ASSEMBLY DISTRICT

Assembly Bill 184: Local Reporting Requirements Related to General Transportation Aids
Testimony of State Representative Joan Ballweg
Assembly Committee on Local Government
May 22, 2019

Thank you, Chair Novak, and members of the committee for holding this public hearing.

Assembly Bill 184 provides a more reasonable financial penalty for towns that do not submit their annual statement for general transportation aids on time. Current law allows the Department of Revenue to reduce aids by one percent for each day late, up to a maximum of 10 percent. Our towns have worked hard to make every dollar they receive count while maintaining our rural roads. By changing this penalty to \$100 a day, there is still a factor motivating locals to provide paperwork on time while at the same time not devastating local communities when human error or unexpected situations impede their ability to file on time.

This situation has actually impacted a town in my district. Last year, the Town of Newton in Marquette County worked to transition from paper to electronic reporting. The local clerk did not have software compatible with the online reporting feature. Despite attempts to work with the Department of Revenue to fix this problem in a timely manner, there was a delay that resulted in a loss of \$9,000 from their transportation aids. This is especially troubling because of our harsh winter and the excessive flooding we've seen this spring. I spoke with the town chair, who was unable to join me today. He estimates \$350,000 in damages and will only be able to afford \$130,000 worth of repairs. An additional \$9,000 would not fill that financial gap, but it would be a significant help in repairing their town roads.

Thank you for your consideration of this legislation, and I am happy to answer any questions.



Mr. Chair and committee members:

Thank you for hearing Assembly Bill 184, and for the opportunity to testify in favor of this bill. I'd like to thank Representative Ballweg, Senator Smith, and Senator Jacque for working with me to address this important issue.

AB 184 is a bipartisan bill that would reduce late fees for towns' general transportation aids reports. The current penalty for cities, villages, or towns that submit a late general transportation aids statement to the Department of Revenue is 1% of their aid lost per day, with a maximum loss of 10% of their total aid. This bill reduces the penalty for towns to \$100 per day if submitting late reports.

As a former city council member in Beloit, and state representative for 12 towns, I know first-hand that towns across our state are operating with narrow budgetary margins and limited capacity. While town officials work diligently to support their constituents, many officials are not full-time employees and are juggling many responsibilities. If a town official misses a deadline or files incorrect paperwork, the penalty assessed can be severe.

These harsh penalties have a direct impact on our communities. In a period where our roads and infrastructure are in desperate need of maintenance and repair, the current penalty structure can lead to large reductions in local communities' transportation dollars. Severe penalties may delay essential road repairs by months or years.

Just last year, 9 towns filed late reports and were penalized on their 2019 GTAs. The majority of these reports were less than 3 weeks late, but 6 of the 9 towns still faced the maximum penalty of losing 10% of their GTAs. Under this bill, these towns would still face a late fee, but not the punitive fee they currently face.

This bill is an important step forward in finding innovative ways to support our towns while limiting overly harsh penalties that can delay critical work. It will increase funding for towns that are suffering with crumbling roads and failing infrastructure, and will ensure that transportation dollars are not directed away from the small communities that need them most.

Thank you again for the opportunity to testify today and I am happy to take any questions.

45TH ASSEMBLY DISTRICT

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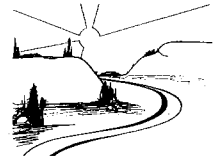


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JEFF SMITH

WISCONSIN STATE SENATOR – 31ST DISTRICT



Testimony in Support of Senate Bill 167/Assembly Bill 184 Reducing Late Fee for Towns Submitting General Transportation Aid Reports

Prepared for the Senate Committee on Transportation, Veterans and Military Affairs
and the Assembly Committee on Local Government

Thank you Chairperson for the opportunity to testify on SB 167/AB 184 at both of these public hearings. This bill is a commonsense piece of legislation aimed at helping towns maximize every transportation dollar while trying to accurately report their general transportation aid (GTA) spent.

The current penalty for cities, villages or towns submitting late reports is 1% of their aid lost per day, and up to 10% of their total general transportation aid lost. SB 167/AB 184 changes the penalty for towns to \$100 per day if submitting late reports to DOR for DOT's aid calculations.

SB 167/AB 184 was drafted at the request of one of my towns in the 31st Senate District. The Town of Gilman in Pierce County was five days late submitting their GTA annual statement to the Department of Revenue in 2017. Due to the timing of hiring a new clerk, Gilman Town received \$6,400 less in general transportation aid from the state. For a town that only received \$106,599 in 2016, the 6% penalty was overly burdensome for submitting their annual statement a few days late.

Wisconsin towns have had to do more with less – especially when it comes to providing quality roads in our rural communities. Most town government officials are not full-time employees. If a town official misses a deadline or files the wrong paperwork, the penalty is too severe. This simple change will help our hardworking town government officials get the aid they deserve and the aid they desperately need for maintaining Wisconsin's rural roads.

Thank you for the opportunity to testify before the committee.