

**RESOLUTION  
ROCK COUNTY BOARD OF SUPERVISORS**

Supervisor Bob Yeomans  
INITIATED BY

County Board Staff Committee  
SUBMITTED BY



Corporation Counsel Richard  
Greenlee  
DRAFTED BY

January 15, 2021  
DATE DRAFTED

**ASKING GOVERNOR TONY EVERS TO INCLUDE AN INFLATIONARY INCREASE  
TO UTILITY AID PAYMENTS IN THE 2021-2023 BUDGET PROPOSAL**

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**WHEREAS**, shared revenue utility aid payments help defray the cost to counties and municipalities of the services provided to the tax-exempt property owned by utility companies; and

**WHEREAS**, these payments-in-lieu of taxes are also designed to partially compensate units of local government for the negative effects of air pollution, noise, traffic congestion, property maintenance, emergency services and land use limitations caused by the presence of utility property, and

**WHEREAS**, the State of Wisconsin has typically retained about eighty percent of utility tax collections for use as General Purpose Revenue (GPR), rather than return those dollars to counties and municipalities where the utilities are located; and

**WHEREAS**, from 2019 to 2020, the state collected \$351.4 million in utility taxes, but only returned \$75.6 million to local governments as utility aid; and

**WHEREAS**, moreover, payments generated through the current utility aid formula have largely been stagnant, both as a percentage of tax collections and in the actual dollars distributed to counties and municipalities. Stagnant or declining aid results in a burdensome shift in taxes to owners of the remaining taxable property.

**NOW, THEREFORE, BE IT RESOLVED** that the Rock County Board of Supervisors duly assembled this 11th day of February, 2021 hereby asks that the Governor Tony Evers include in his 2021-23 proposed budget a more fair and equitable return of utility tax collections to counties and municipalities as utility aid payments, including the addition of a inflationary increase built into the utility aid formula.

Respectfully submitted:

COUNTY BOARD STAFF

/s/Rich Bostwick  
Rich Bostwick, Chair

/s/Wes Davis  
Wes Davis, Vice Chair

absent  
Tom Brien

/s/Kevin Leavy  
Kevin Leavy

/s/Lou Peer  
Louis Peer

/s/Russ Podzilni  
J. Russell Podzilni

/s/Alan Sweeney  
Alan Sweeney

/s/Bob Yeomans  
Bob Yeomans

/s/Mary Beaver  
Mary Beaver

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LEGAL NOTE:

The County Board is authorized to take this action pursuant to §§ 59.01 and 59.51, Wis. Stats.

/s/Richard Greenlee

Richard Greenlee  
Corporation Counsel

FISCAL NOTE:

No fiscal impact in and by itself.

/s/Sherry Oja

Sherry Oja  
Finance Director

ADMINISTRATIVE NOTE:

Recommended.

/s/Josh Smith

Josh Smith  
County Administrator

## Executive Summary

### **BACKGROUND FACTS—THE WISCONSIN DEPT. OF REVENUE COLLECTS UTILITY TAXES INSTEAD OF UTILITIES PAYING LOCAL PROPERTY TAXES. WHO PAYS WHAT AND HOW MUCH DOES DOR RETURN TO LOCAL GOVERNMENTS STATE TAXATION OF UTILITIES**

Based on Wisconsin Legislative Fiscal Bureau Informational Paper 9, 2017 and LFB Utility Tax Collection Data 2020 (September 2020 revised estimates), Public Utilities are subject to State taxation in lieu of local general property taxes.

The State collects taxes based on

- a) An Ad valorem tax based on assessed value of Company property
  - 1) Air Carrier companies (2019-20 tax collections \$0) Utility PLT Payments 0
  - 2) Conservation and Regulation Companies (\$268,319) Utility PLT Payments 0
  - 3) Municipal Electric Companies (\$4,444,548)
  - 4) Pipelines (\$44,513,183) Utility PLT Payments 0
  - 5) Railroad Companies (Deposited in the Transportation fund, \$ not reported) PLT 0
  - 6) Telephone Companies (\$66,173,269) Utility PLT Payments 0
  
- b) A tax or license fee based on gross revenues generated in Wisconsin
  - 1) Car Line Companies (furnishing or leasing car line equip to a RR) (\$205,187) PLT 0
  - 2) Electric Cooperative Associations (\$12,751,922)
  - 3) Municipal Light, Heat, and Power Companies (\$2,728,904)
  - 4) Private Light, Heat and Power Companies (\$225,411,443) **Total of 2,3,4 PLT \$77,832,012**

For all Ad valorem Utilities, a tax assessment is calculated by determining the full market value of the utilities taxable property and multiplying that value by a tax rate.

**Light, Heat and Power Companies carry the responsibility for All Payments in lieu of local general property taxes.**

In 1986, the basis of taxation for the light, heat, and power companies changed from Ad valorem to gross revenues.

**State payments to local governments in lieu of utility property taxes due local governments fail to adequately compensate those governments for the lost property taxes from the utilities.**