

Representative Knudson

SHARED REVENUE AND TAX RELIEF -- PROPERTY TAXATION

Expenditure Restraint Program -- Budget Test

Motion:

Move to modify the expenditure restraint program's eligibility requirement pertaining to municipal budgets by clarifying that the adjustment for contracted services serves to exclude from a municipality's budget any costs of providing a contracted service to another governmental unit in the year in which the municipality incurs those costs.

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Note:

The expenditure restraint program provides targeted, general aid to towns, villages, and cities. The aid is targeted in that municipalities must qualify for an aid payment by meeting two eligibility criteria. First, a municipality must have a full value property tax rate for operation of the municipal government that exceeds five mills. Second, a municipality must restrict the rate of year-to-year growth in its budget to a percentage determined by statutory formula. Current law defines municipal budget to exclude certain items, such as services provided to another governmental unit by contract. This motion would clarify the treatment of costs arising from such a contract.

**Posted By:**  
Wheeler Reports, Inc.

