

15-1

SHARED REVENUE AND PROPERTY TAX RELIEF

Omnibus Motion

Motion:

Move to adopt the following provisions:

1. *Annual Transfer to the Local Government Fund.* In 2024-25, direct the Department of Administration (DOA) Secretary to transfer from the general fund to a nonlapsible trust fund designated as the local government fund an amount equal to 20% of sales and use taxes imposed in that fiscal year (estimated at \$1,567.6 million). Specify that beginning in 2024-25, the amounts transferred each year would be based on the amounts as outlined in the summary of estimated general fund taxes under the biennial budget act, prepared by the Legislative Fiscal Bureau. In 2025-26, and each year thereafter, transfer from the general fund to the local government fund the sum of the following: (a) the amount transferred to the local government fund in the previous fiscal year, excluding the amounts transferred on July 1, 2024 to the innovation account and the innovation planning account; and (b) the percentage change in the estimated amount of state sales and use tax revenues for the current fiscal year compared to the previous fiscal year, multiplied by the amounts available for distribution in the previous fiscal year in the newly-created county and municipal aid and supplemental county and municipal aid accounts within the local government fund. Specify that 15% of the annual transfer amount would be transferred to the local government fund on the second Monday in July of each year, and the remaining 85% would be transferred on the second Monday in November of each year. This would result in a \$1,567.6 million GPR transfer in 2024-25 and a corresponding deposit of SEG-REV to the local government fund.

2. *Annual Lapse from Local Government Fund.* Require any unencumbered balance of the local government fund, exceeding 0.1% of the amount transferred to the local government fund in that fiscal year, excluding the amounts credited to the innovation account and the innovation planning grants account, would lapse to the general fund on June 30, 2025, and on each June 30 thereafter. Estimate the GPR-Lapse amount of \$21.4 million in 2024-25, with the ending 0.01% reserve balance at \$1.6 million SEG-LGF.

3. *Transfer to the Local Government Fund -- Innovation Account.* Direct the DOA Secretary to transfer \$300,000,000 in 2024-25 from the general fund to the local government fund on July 1, 2024. Credit this amount to the innovation account within the local government fund. This results in a \$300.0 million GPR-Transfer in 2024-25 and a corresponding deposit of SEG-REV to the innovation account.

4. *Transfer to the Local Government Fund -- Innovation Planning Grants Account.* Direct the DOA Secretary to transfer \$3,000,000 in 2024-25 from the general fund to the local government fund on July 1, 2024. Credit this amount to the innovation planning grants account within the local government fund. This results in a \$3.0 million GPR-Transfer in 2024-25 and a corresponding deposit of SEG-REV to the innovation planning grants account.

5. *Annual Transfer to the Transportation Fund.* Direct the DOA Secretary to transfer \$8,000,000 SEG-Transfer in 2024-25 from the local government fund to the transportation fund (SEG-REV) on December 30, 2024, and on each December 30, thereafter. This provision would make the transportation fund whole for the reduction in taxes paid by railroads associated with the repeal of the personal property tax under 2023 Act 12.

6. *Transfer to the Conservation Fund.* Reestimate the transfer from the general fund to the conservation fund by -\$1,600,000 GPR in 2024-25. This provision would reflect the reduction in statewide equalized values associated with the repeal of the personal property tax under 2023 Act 12.

7. *County and Municipal Aid Account.* Create an account in the local government fund for the distribution of current law county and municipal aid payments and modify the existing GPR sum sufficient appropriation for distribution of these payments to instead distribute the payments from the local government fund. In 2024-25, provide an amount from the local government fund equal to the total amount of county and municipal aid payments distributed in 2023-24, or \$753,075,300. In 2025-26, and each year thereafter, provide an amount from the local government fund equal to the amount that was provided in the previous fiscal year, adjusted by the percentage change in the amount of state sales and use taxes imposed in that fiscal year. These provisions would reduce GPR funding for county and municipal aid by \$707,684,200 GPR in 2024-25 and result in an increase of \$753,075,300 SEG funding from the local government fund to fund the existing county and municipal aid program. The estimated lapse to the general fund associated with current law offsets to county and municipal aid lapsing back to the general fund at the end of the fiscal year is shown under Item #2.

8. *Expenditure Restraint Program Account.* Create an account in the local government fund for the distribution of current law expenditure restraint program payments and modify the existing GPR sum sufficient appropriation for distribution of these payments to instead distribute the payments from a SEG appropriation from the local government fund. Rename the expenditure restraint program to be the expenditure restraint incentive program. Reduce GPR funding for expenditure restraint payments by \$58,145,700 in 2024-25 and make a corresponding increase in SEG funding associated with a conversion of the appropriation from GPR to SEG.

9. *Computer Aid Account.* Create an account in the local government fund for the distribution of current law computer aid payments. Modify the existing GPR sum sufficient appropriation to instead distribute the payments from a SEG sum certain appropriation from the local government fund. In 2024-25, provide \$98,047,100 SEG from the local government fund to fund computer aid distributions. Reduce GPR funding for computer aid payments by \$98,047,100 in 2024-25 and make a corresponding increase in SEG funding associated with a conversion of the appropriation from GPR to SEG.



10. *Personal Property Aid Account.* Create an account in the local government fund for the distribution of both the personal property aid payments associated with exempt non-manufacturing machinery, tools, and patterns, and the personal property aid payments created in 2023 Act 12. Modify the existing GPR sum sufficient appropriation for the distribution of aid associated with exempt non-manufacturing machinery, tools, and patterns, to a sum certain appropriation that would distribute the payments from the local government fund. Modify the existing GPR sum certain appropriation for the distribution of aid payments associated with the exemption of remaining items of personal property from taxation (created under 2021 Act 58) to instead distribute the payments created under 2023 Act 12 from the local government fund. Amend the current law levy limit adjustment for personal property aid to include an adjustment for the new personal property aid payment created under 2023 Act 12. In 2024-25, reduce GPR funding by \$75,620,900 and provide a corresponding increase in SEG from the local government fund for the current law personal property aid payments associated with the conversion of the existing appropriation from GPR to SEG. Provide \$173,800,000 SEG from the local government fund for the personal property aid payments created in 2023 Act 12.

11. *Video Service Provider Fee Account.* Create an account in the local government fund for the distribution of current law payments for video service provider fee aid and modify the existing GPR sum certain appropriation for distribution of these payments to instead distribute the payments from the local government fund. These provisions would reduce GPR funding by \$10,008,900 GPR in 2024-25 for video service provider fee aid payments and result in a corresponding increase in SEG funding associated with a conversion of the appropriation from GPR to SEG.

12. *Municipal Services Account.* Create an account in the local government fund for the distribution of current law payments for municipal services and modify the existing GPR sum certain appropriation for distribution of these payments to instead distribute the payments from the local government fund. Update statutory cross-references to refer to the new SEG appropriation for distribution of these payments as of July 1, 2024. These provisions would reduce GPR funding by \$18,584,200 in 2024-25 for payments for municipal services and result in a corresponding increase in SEG funding associated with a conversion of the appropriation from GPR to SEG.

13. *Supplemental County and Municipal Aid Account.* Create an account in the local government fund for the distribution of supplemental county and municipal aid payments, as specified under 2023 Act 12. In 2024-25, provide \$274,867,200 from a newly-created sum sufficient SEG appropriation that would distribute these payments from the local government fund. Credit \$68,000,000 to the account for distribution to counties and \$206,867,200 for distribution to municipalities in 2024-25. In 2025-26, and each year thereafter, credit an amount equal to the amount credited to the account in the previous fiscal year, increased by the percentage change in state sales and use tax revenues from the previous fiscal year to the current fiscal year.

14. *Innovation Account.* Create an account in the local government fund for the distribution of innovation grants, as created under 2023 Act 12. Require the Department of Revenue (DOR) to certify the amounts of innovation grants awarded in each year to DOA, and require DOA to distribute the amounts certified to local governments. In 2024-25, credit \$300,000,000 to the innovation account. Create a continuing, sum certain SEG appropriation that would distribute these payments from the local government fund. Specify that at the end of the fourth fiscal year after the date identified

in the notice under 2023 Act 12, the unencumbered balance of this appropriation would lapse to the general fund. In 2024-25, provide \$300,000,000 SEG from the local government fund for innovation grants. Direct DOA to exclude this amount from the base for the 2025-27 biennial budget.

15. *Innovation Planning Grants Account.* Create an account in the local government fund for the distribution of innovation planning grants, as created under 2023 Act 12. Require DOR to certify the amounts of innovation planning grants awarded in each year to DOA, and require DOA to distribute the amounts certified to local governments. Create a continuing, sum certain SEG appropriation that would distribute these payments from the local government fund. Specify that at the end of the fourth fiscal year after the date identified in the notice under 2023 Act 12, the unencumbered balance of this appropriation would lapse to the general fund. In 2024-25, provide \$3,000,000 SEG from the local government fund for innovation grants. Direct DOA to exclude this amount from the base for the 2025-27 biennial budget.

16. *Funding Assistance Program.* Provide \$25,000,000 SEG in 2024-25 in an existing appropriation, modified to be funded from the local government fund, for Department of Health Services' emergency medical services funding assistance program grants. Eliminate base funding of \$2,200,000 GPR beginning in 2024-25 to reflect the fund source modification. Expand eligibility for grants under the program to include emergency medical responder departments in addition to (currently eligible) ambulance service providers. Further, allow grants to be used for nondurable or disposable medical supplies or equipment, or medications, as well as the allowable uses under current law. Specify that grantees may not expend more than 15% of grant funds on these items. Specify that these changes would take effect on July 1, 2024.

17. *Elimination of Medical Assistance Ambulance Supplement.* Reduce funding for the Medical Assistance program by \$2,000,000 GPR in 2024-25 to reflect the elimination of a supplementary reimbursement program for local government ambulance providers under 2023 Act 12. A reduction in shared revenue payments that directly offset these supplementary reimbursements is eliminated under Item #7.

18. *Law Enforcement Training.* Provide \$8,800,000 SEG in 2024-25 from the local government fund for Department of Justice law enforcement training grants. In 2024-25, eliminate the current GPR appropriation for officer training reimbursement (-\$2,000,000 GPR in 2024-25) and repeal the existing PR appropriation for distribution of local assistance for law enforcement training (-\$4,500,000 PR in 2024-25). Modify current law to specify that the law enforcement training fund consist of the accounts for law enforcement training state operations, and the law enforcement SEG appropriation.

19. *Youth and Family Aids.* Create an account in the local government fund for distribution of current law youth and family aids and specify that \$46,652,900 would be credited to this account in each fiscal year. Provide \$46,652,900 SEG in 2024-25 from the local government fund for current law youth and family aids and reduce the existing GPR appropriation by \$46,652,900 GPR in 2024-25. This funding would be provided in addition to the remaining funding from the existing GPR appropriation for youth and family aids to maintain the current level of funding (\$93,305,700). As under the existing GPR appropriation, allow the Department of Children and Families to transfer



money between fiscal years with Joint Committee on Finance approval.

20. *911 Fund.* Rename the current law police and fire protection fund as the 911 fund. Update references to the police and fire protection fee to instead refer to the 911 fee. Repeal the current law county and municipal aid SEG appropriation funded from the police and fire protection fund and decrease funding by \$34,424,800 SEG. This appropriation currently offsets the amounts paid from the existing sum sufficient GPR appropriation.

21. *Next Generation 911.* Specify that, beginning July 1, 2024, under the Department of Military Affairs (DMA), \$18,000,000 SEG from the 911 fund would be available annually to provide public safety answering point (PSAP) grants and \$6,000,000 SEG from the 911 fund would be available annually to provide grants for geographic information systems (GIS). Increase DMA's Next Generation 911 appropriation by \$12,000,000 SEG in 2024-25 for PSAP grants and \$4,500,000 SEG in 2024-25 for GIS grants to fund the specified amounts.

22. *Municipality Taxes Appropriation.* Create the following appropriations associated with the collection and distribution of municipal sales and use taxes: (a) a DOR program revenue appropriation for administration of municipal sales and use taxes that retains 1.75% of the taxes collected and distributes the remainder of the taxes to a Shared Revenue and Tax Relief appropriation; and (b) a Shared Revenue and Tax Relief, all moneys received program revenue appropriation associated with municipal sales and use taxes that may be adopted by ordinance by a first class city (the City of Milwaukee), net the 1.75% of the taxes retained by DOR for administration of the taxes. Specify that any unencumbered balance in the newly-created DOR appropriation be transferred to the general fund at the end of each fiscal year.

23. *Distribution of Municipal Sales and Use Taxes.* Require DOR to distribute 98.25% of the municipality taxes reported for each enacting municipality, minus the municipality portion of the retailers' discounts, to the municipality. Specify that the "municipality portion of the retailers' discount" is determined by multiplying the total retailers' discount by a fraction, the numerator of which is the gross municipality sales and use taxes payable and the denominator of which is the sum of the gross state and municipality sales and use taxes payable. Require DOR to indicate to the municipality the taxes reported by each taxpayer, no later than 75 days following the last day of the calendar quarter in which such amounts were reported. Require that the distribution of tax collections to the municipality be adjusted to reflect subsequent refunds, audit adjustments, and all other adjustments of the municipality taxes previously distributed. Specify that any municipality receiving a report on sales and use taxes is subject to the duties of confidentiality to which DOR is subject to relative to such taxes under current law.

24. *DOR Project Positions.* Provide \$171,100 GPR and 2.0 GPR project positions annually to DOR's Division of State and Local Finance general program operations appropriation to help implement the repeal of the personal property tax. Specify that these project positions would be authorized from July 1, 2023, to June 30, 2025.

25. *Aid Payment to Counties Affected by 1854 Treaty of La Pointe.* Create an annual PR appropriation funded from tribal gaming revenue under shared revenue and property tax relief to

provide an aid payment to counties that were affected by the 1854 Treaty of La Pointe. Any unencumbered balance in the PR appropriation as of June 30 of each year would lapse to the tribal gaming receipts appropriation account under DOA. Specify that the appropriation would sunset July 1, 2025. Provide \$3,613,000 to the Joint Finance Committee's supplemental PR appropriation in 2023-24 for potential release of funding to make the aid payments to counties.

26. *Town of Sanborn Levy Limits.* Prohibit the Town of Sanborn in Ashland County from imposing a municipal levy above five mills. Further, specify that the current law provision allowing counties and municipalities to exceed their levy limits for debt service on general obligation debt authorized on or after July 1, 2005, does not apply to the Town of Sanborn. Prohibit the Town of Sanborn from requesting a chargeback of property tax refunds issued by the Town, pursuant to the decision in *Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin v. Evers*, for tax years 2015 to 2021.

27. *Cranberry Research Station Property Tax Exemption.* Provide a tax exemption for all property that is used primarily for research and educational activities associated with commercial cranberry production. Specify that the property must be owned or leased by a nonprofit organization that is exempt from income taxation under federal section 501(c)(3) of the Internal Revenue Code, and the exemption would first apply to the property tax assessments as of January 1, 2023, for the 2023(24) property tax year.

28. *Incentive Aids.* Provide \$4,100,000 GPR in 2024-25 to the sum sufficient utility aid appropriation to reflect an increase in the incentive aids components of the existing utility aid formula. Increase the incentive aid payment from \$600 to \$900 per megawatt for production plants with at least one of the following characteristics: (a) the production plant was built on the site of or on a site adjacent to an existing or decommissioned production plant; (b) the production plant was built on a site purchased before January 1, 1980, that was identified in an advance plan as a proposed site for a production plant; or (c) on a brownfield or a site adjacent to a brownfield. In addition, increase the incentive aid payment from \$1,000 to \$1,500 per megawatt for production plants that generate power using alternative energy resources. Specify that these changes would first apply to utility aid distributions in 2024-25.

29. *Increased Funding for School Levy Credit.* Provide \$255,000,000 GPR in 2023-24 and \$335,000,000 GPR in 2024-25 for the school levy tax credit. Create a separate payment date to distribute the supplemental amount of the payment on the first Monday in May, rather than the fourth Monday in July, when existing school levy tax credits are paid.



## FISCAL EFFECT OF MOTION (Change to Base)

Provision	2023-24	2024-25	Biennium	Positions	Source
Transfer to the Local Government Fund	\$0	\$1,870,600,000	\$1,870,600,000	0.0	GPR-Transfer
Revenue to the Local Government Fund	0	1,870,600,000	1,870,600,000	0.0	SEG-REV (LGF)
Transfer to the Transportation Fund	0	8,000,000	8,000,000	0.0	SEG-Transfer (LGF)
Revenue to the Transportation Fund	0	8,000,000	8,000,000	0.0	SEG-REV (Transportation)
Transfer to the Conservation Fund	0	-1,600,000	-1,600,000	0.0	GPR
County and Municipal Aid Account	0	-707,684,200	-707,684,200	0.0	GPR
	0	-34,424,800	-34,424,800	0.0	SEG (911 - SRTR)
	0	753,075,300	753,075,300	0.0	SEG (LGF)
Current Law County and Municipal Aid Lapses	0	5,958,800	5,958,800	0.0	SEG-Lapse
Expenditure Restraint Program Account	0	-58,145,700	-58,145,700	0.0	GPR
	0	58,145,700	58,145,700	0.0	SEG (LGF)
Computer Aid Account	0	-98,047,100	-98,047,100	0.0	GPR
	0	98,047,100	98,047,100	0.0	SEG (LGF)
Personal Property Aid Account- Existing Payment	0	-75,620,900	-75,620,900	0.0	GPR
	0	75,620,900	75,620,900	0.0	SEG (LGF)
Personal Property Aid Account- Personal Property Tax Repeal	0	173,800,000	173,800,000	0.0	SEG (LGF)
Video Service Provider Fee Account	0	-10,008,900	-10,008,900	0.0	GPR
	0	10,008,900	10,008,900	0.0	SEG (LGF)
Municipal Services Account	0	-18,584,200	-18,584,200	0.0	GPR
	0	18,584,200	18,584,200	0.0	SEG (LGF)
Supplemental County and Municipal Aid Account	0	274,867,200	274,867,200	0.0	SEG (LGF)
Funding Assistance Program	0	-2,200,000	-2,200,000	0.0	GPR
	0	25,000,000	25,000,000	0.0	SEG (LGF)
Elimination of Medical Assistance Ambulance Supplement	0	-2,000,000	-2,000,000	0.0	GPR
Youth Aids	0	-46,652,900	-46,652,900	0.0	GPR
	0	46,652,900	46,652,900	0.0	SEG (LGF)
Law Enforcement Training	0	-2,000,000	-2,000,000	0.0	GPR
	0	8,800,000	8,800,000	0.0	SEG (LGF)
	0	-4,500,000	-4,500,000	0.0	PR (Law Enforcement Training)
Next Generation 911 Public Service Answer Point Grants	0	12,000,000	12,000,000	0.0	SEG (911 - DMA)
Next Generation 911 GIS Grants	0	4,500,000	4,500,000	0.0	SEG (911 - DMA)
Balance in SEG - LGF, Less Reserve	0	21,389,000	21,389,000	0.0	GPR-Lapse
DOR Project Positions	171,100	171,100	342,200	2.0	GPR
Aid Payments to Counties Affected by 1854					
Treaty of La Pointe - JFC Supplemental	3,613,000	0	3,613,000	0.0	PR (Tribal Gaming)
Tribal Gaming Revenue Deposit to General Fund	-3,613,000	0	-3,613,000	0.0	GPR-REV
Utility Aid - Incentive Aids Payments	0	4,100,000	4,100,000	0.0	GPR
Increased School Levy Tax Credit	255,000,000	335,000,000	590,000,000	0.0	GPR
Subtotals	\$255,171,100	-\$683,272,800	-\$428,101,700	2.0	GPR
	0	1,870,600,000	1,870,600,000	0.0	GPR-Transfer
	0	21,389,900	21,389,900	0.0	GPR-Lapse
	-3,613,000	0	-3,613,000	0.0	GPR-REV
	0	1,542,602,200	1,542,602,200	0.0	SEG (LGF)
	0	-34,424,800	-34,424,800	0.0	SEG (911 - SRTR)
	0	16,500,000	16,500,000	0.0	SEG (911 - DMA)
	0	-1,870,600,000	-1,870,600,000	0.0	SEG-REV (LGF)
	0	8,000,000	8,000,000	0.0	SEG-Transfer (LGF)
	0	8,000,000	8,000,000	0.0	SEG-REV (Transportation)
	0	5,958,800	5,958,800	0.0	SEG-Lapse
	3,613,000	0	3,613,000	0.0	PR (Tribal Gaming)
	0	-4,500,000	-4,500,000	0.0	PR (Law Enforcement Training)