



2019 SENATE BILL 251

May 30, 2019 – Introduced by Senator WANGGAARD, cosponsored by Representatives KERKMAN, SNYDER and SPIROS. Referred to Committee on Natural Resources and Energy.

- 1 **AN ACT** *to create* 66.0602 (3) (e) 10. of the statutes; **relating to:** exception from
2 local levy limits for political subdivisions receiving certain utility aid payments.

Analysis by the Legislative Reference Bureau

This bill creates a levy limit exception for political subdivisions that receive certain utility aid payments.

Generally under current law, local levy limits are applied to the property tax levies that are imposed by a political subdivision in December of each year. Current law prohibits any political subdivision from increasing its levy by a percentage that exceeds its “valuation factor,” which is defined as the greater of either zero percent or the percentage change in the political subdivision’s equalized value due to new construction, less improvements removed.

Current law contains a number of exceptions to the levy limit, such as amounts a county levies for a countywide emergency medical system, for a county children with disabilities education board, and for certain bridge and culvert construction and repair. In addition, a political subdivision may exceed the levy limit that is otherwise applicable if its governing body adopts a resolution to do so and if that resolution is approved by the electors in a referendum.

Also under current law, if a power plant that is exempt from property taxes is decommissioned or closed, and therefore becomes taxable, the county and municipality where the plant is located receive a utility aid payment from the state for the first five years in which the plant is subject to the property tax in an amount equal to a percentage of the utility aid payment that the county or municipality received for the last year in which the plant was exempt. The percentage decreases by 20 percent each year.

