



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-1406/P4
KP:cs/an/sw/km

DOA:.....Martin, BB0294 - Expenditure restraint budget test-exclusions

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

SHARED REVENUE

Expenditure restraint incentive program

Under current law, generally, a municipality is eligible to receive an expenditure restraint incentive payment if its property tax levy is greater than five mills and if the annual increase in its municipal budget is less than the sum of factors based on inflation and the increased value of property in the municipality as a result of new construction. Under the bill, the inflation factor used to determine eligibility is equal to the percentage change in the consumer price index or 3 percent, whichever is greater. The bill also excludes the following from being considered in determining eligibility for an expenditure restraint incentive program payment: 1) the amount by which a municipality's base and supplemental county and municipal aid received in the applicable year exceeds the amount of base and supplemental county and municipal aid received by the municipality in 2024; 2) all grants received from the federal government; 3) revenues from a municipal vehicle registration fee that is approved by a majority of electors voting at a referendum; 4) the amount by which a municipality's payments received for municipal services provided to facilities owned by the state exceeds the amount of those payments received in 2024; and 5) the \$1,000,000 additional county and municipal aid payment to the city of Green Bay provided by the bill to reimburse public safety costs associated with the NFL draft in April 2025.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 79.05 (1) (ae) of the statutes is created to read:

79.05 (1) (ae) "Growth portion of base and supplemental county and municipal aid" means the total amount of payments received by a municipality

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under ss. 79.036 and 79.037 in the applicable year minus the total amount of payments under ss. 79.036 and 79.037 received by the municipality in 2024.

SECTION 2. 79.05 (1) (ag) of the statutes is created to read:

79.05 (1) (ag) “Growth portion of payments for municipal services” means an amount equal to one of the following, whichever is greater:

1. The total amount of payments received by a municipality under s. 70.119 (7) in the applicable year minus the total amount of payments under s. 70.119 (7) received by the municipality in 2024.

2. Zero.

SECTION 3. 79.05 (1) (am) of the statutes is amended to read:

79.05 (1) (am) “Inflation factor” means a percentage equal to the average annual percentage change in the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the U.S. department of labor, for the 12 months ending on August 31 of the year before the statement under s. 79.015, except that the percentage under this paragraph shall not be less than ~~zero~~ 3 percent.

SECTION 4. 79.05 (2) (c) of the statutes is amended to read:

79.05 (2) (c) Its municipal budget; exclusive of principal and interest on long-term debt and exclusive of revenue sharing payments under s. 66.0305, payments of premiums under s. 66.0137 (5) (c) 1. and 1m., revenues generated from a tax imposed under s. 77.701, the growth portion of base and supplemental county and municipal aid, the growth portion of payments for municipal services, additional payments received under s. 79.036 (5) for public safety costs reimbursement, payments received under s. 79.038, expenditures of payments due to the

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termination of a tax incremental district under s. 79.096 (3), recycling fee payments under s. 289.645, expenditures of grant payments under s. 16.297 (1m), unreimbursed expenses related to an emergency declared under s. 323.10, expenditures from moneys received pursuant to P.L. 111-5, revenues from a municipal registration fee under s. 341.35 (1) that is approved by a majority of the electors in the municipality voting at a referendum, grants received from the state ~~or federal government~~ for the purpose of providing law enforcement, fire protection, or emergency medical services, grants received from the federal government, and expenditures made pursuant to a purchasing agreement with a school district whereby the municipality makes purchases on behalf of the school district; for the year of the statement under s. 79.015 increased over its municipal budget as adjusted under sub. (6); exclusive of principal and interest on long-term debt and exclusive of revenue sharing payments under s. 66.0305, payments of premiums under s. 66.0137 (5) (c) 1. and 1m., revenues generated from a tax imposed under s. 77.701, the growth portion of base and supplemental county and municipal aid, the growth portion of payments for municipal services, additional payments received under s. 79.036 (5) for public safety costs reimbursement, payments received under s. 79.038, expenditures of payments due to the termination of a tax incremental district under s. 79.096 (3), recycling fee payments under s. 289.645, expenditures of grant payments under s. 16.297 (1m), unreimbursed expenses related to an emergency declared under s. 323.10, expenditures from moneys received pursuant to P.L. 111-5, revenues from a municipal registration fee under s. 341.35 (1) that is approved by a majority of the electors in the municipality voting at a referendum, grants received from the state ~~or federal government~~ for the purpose of providing

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law enforcement, fire protection, or emergency medical services, grants received from the federal government, and expenditures made pursuant to a purchasing agreement with a school district whereby the municipality makes purchases on behalf of the school district; for the year before that year by less than the sum of the inflation factor and the valuation factor, rounded to the nearest 0.10 percent.

SECTION 9337. Initial applicability; Revenue.

(1) EXPENDITURE RESTRAINT PROGRAM. The treatment of s. 79.05 (1) (am) and (2) (c) first applies to the distributions in 2026.

(END)