
Wisconsin Legislative Council

ACT MEMO



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2023 Wisconsin Act 139
[2023 Senate Bill 67]

**Utility Aid Payments Associated
With Production Plants**

BACKGROUND

Under state law, counties and municipalities receive shared revenue payments when certain types of utility¹ property are located within their borders. These payments, often referred to as “utility aid,” generally serve to offset the loss in local revenue that results from the fact that utility property is generally exempt from local property taxes.

2023 WISCONSIN ACT 139

2023 Wisconsin Act 139 makes various changes relating to utility aid associated with production plants, as discussed below.

Definition of “Decommissioned”

Under prior law, generally retained by the act, the decommissioning or closure of a production plant resulted in a five-year phase down of the utility aid payments associated with the plant (with 20 percent reductions each year). 2023 Wisconsin Act 139 replaces the terms “decommissioned or closed” with the term “decommissioned” throughout the statutes relating to this phase down in utility aid payments. The act also defines “decommissioned” to mean, with regards to a production plant, the earliest of when either:

- The production plant is no longer recovered through a utility’s or cooperative’s rates or, for a production plant owned by a qualified wholesale electric company,² the production plant permanently ceases generating electricity; or
- The production plant is transferred to a person who is not subject to the license fee imposed on light, heat, and power companies or the license fee imposed on entities selling electricity at wholesale.

Utility Aid for Multi-Unit Plants

Under prior law, generally retained by the act, the utility aid payments associated with a production plant are calculated based upon the plant’s name-plate generating capacity or its net book value.

2023 Wisconsin Act 139 modifies the calculation of utility aid associated with plants that consist of multiple power generation units, in situations where the first power generation unit ceases generating

¹ The term “utility” is used throughout this memo for brevity. In this context, the term is used broadly to generally include investor-owned public utilities, as well as certain non-utilities entities, such as electric cooperatives and entities selling electricity at wholesale.

² “Qualified wholesale electric company” is defined under existing law to include certain entities that sell electricity at wholesale.

electricity after March 23, 2024. For these situations, the act generally provides that utility aid payments must not be reduced on the basis that one or more, but not all, of the plant's generating units have permanently ceased generating electricity. The act also provides that the phase down in utility aid payments that follow the decommissioning of a plant must be determined based upon the utility aid payment received in the year before the year in which the first power generation unit permanently ceased generating electricity.

Effective date: March 23, 2024

For a full history of the bill, visit the Legislature's [bill history page](#).

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