

RESOLUTION # R-73-20

A RESOLUTION IN SUPPORT OF STATE FUNDING FOR EQUITABLE RETURN OF UTILITY TAX COLLECTIONS TO COUNTIES AND MUNICIPALITIES AS UTILITY AID

WHEREAS, shared revenue utility aid payments help counties and municipalities pay for services provided to tax-exempt utility property; and

WHEREAS, these payments-in-lieu of taxes are made to offset the loss of property taxes associated with the utilities also viewed as partial compensation for the air, pollution, noise, traffic congestion, property maintenance, emergency services and land use limitations caused by the presence of utility property; and

WHEREAS, the state has typically retained about eighty percent of utility tax collections for use as General Purpose Revenue (GPR), rather than return those dollars to counties and municipalities where the utilities are located; and

WHEREAS, in 2019-20 the state collected \$351.4 million in utility taxes, but only returned \$75.6 million to local governments as utility aid; and

WHEREAS, in 2020 Marathon County received \$1,790,455 in utility aid payments through the shared revenue program; and

WHEREAS, payments generated through the current utility aid formula have largely been stagnant, both as a percentage of tax collections and in the actual dollars distributed to counties and municipalities. Stagnant or declining aid results in a shift in the tax burden to owners of the remaining taxable property.

THEREFORE BE IT RESOLVED, that the Marathon County Board of Supervisors hereby encourages the Governor and legislature to include a provision in the 2021-23 budget plan to provide for a fairer, more equitable return of utility tax collections to counties and municipalities as utility aid with an increase built into the utility aid formula to account for inflation.

Signed this 15th day of December, 2020.

HUMAN RESOURCES, FINANCE AND PROPERTY COMMITTEE

/s/ John Robinson, Chair
/s/ Alyson Leahy, Vice Chair
/s/ Jonathan Fisher
/s/ EJ Stark
/s/ Yee Leng Xiong
/s/ Craig McEwen
/s/ Kurt Gibbs

Fiscal Impact: None. Any change in State policy would be would be addressed through budget process.