Date: February 26, 2008

To: Committee on Energy and Utilities

From: Representative Jeff Wood

Re: Testimony on AB 865, relating to utility aid payments based on a production plant's value in 1990.

Dear committee members:

I will keep this brief, but I wanted to take this opportunity to express my support for Assembly Bill 865. As explained to me by the Fiscal Bureau and Rep. Honadel, during the budget bill a formula was created to hold all municipalities containing a production power plant harmless from the burden of extra taxes. Unfortunately, the Fiscal Bureau innocently created a formula that did not hold all municipalities harmless. I now stand here on behalf of my hard-working constituency affected by the formula, to support this legislation, which would fix the formula.

There are only a few communities that are hurt from the error, but the community I represent will be hit the hardest if the formula is not updated. Of the estimated $150,000 that will be charged in extra taxes, $99,000 will be assessed in the tiny Town of Anson. The Town of Anson, better known as Jim Falls, is located in Chippewa County, and has approximately 1,900 people. It is the same rural area, where I grew up in when I was younger. Though more importantly, they are humble, hard-working taxpayers that understand the values that make Wisconsin great.

However, under the current formula, this small town would be assessed $99,317 in taxes, which is approximately an increase of $53 in taxes per a person or $150 for a family of three. Overall, comparatively speaking, that is about a 9% increase on their property tax bill every year. I think many of you on the committee can sympathize with my taxpayers and understand the tax burden they will face, by comparing the small communities within your own Assembly districts, and how difficult it would be for them if they were in the same position.

This bill corrects a simple mistake in the funding formula to solve an unintentional error not foreseen by the Fiscal Bureau during the budget bill process. I hope everybody on

the committee sees the importance of this bill, and agrees to pass the bill today, so it has a chance to have a floor vote in the very near future. Thank you for your time and your willingness to resolve this issue.

Sincerely,

State Representative Jeff Wood