

wanted MON 11:00

BUT Do NOT forward
until I have
a chance to
talk to the
drafter. Thanks,
CJS

State of Wisconsin
2005 - 2006 LEGISLATURE

LRBs0684/P1

JK:.....

CJS

DRAFT - NOT READY FOR INTRODUCTION
LY SUBSTITUTE AMENDMENT ,
SEMBLY JOINT RESOLUTION 77

m 4-7-06

D-N

due Mon. 4-10-06

Gen cat

1 **Relating to:** creating a revenue limit for the state and local governmental units,
2 depositing excess revenue into an emergency reserve fund, returning excess
3 revenue to taxpayers, elector approval for exceeding the revenue limit, state
4 and local governmental approval for reducing the revenue limit, requiring the
5 state to reduce its revenue limit in conjunction with reduction in state aid,
6 prohibiting the state from using bonds to pay for operating costs, reimbursing
7 the reasonable costs of imposing state mandates, standing to bring a suit to
8 enforce the revenue limits, and requiring the approval of only one legislature
9 to amend the revenue limit provisions (first consideration).

10 **Resolved by the assembly, the senate concurring, That:**

11 **SECTION 1.** Section 11 of article VIII of the constitution is created to read:

12 [Article VIII] Section 11 (1) In this section:

1 (a) "Income factor" means the percentage that is the average of the annual
2 percentage increases, if any, in state personal income growth for each of the 3 most
3 recent years for which the information necessary to determine the percentage ^{increase} is
4 available.

5 (b) "Inflation factor" means the percentage that is the average of the annual
6 percentage increases, if any, in the consumer price index for Milwaukee-Racine, or
7 its successor index, for each of the 3 most recent years for which the information
8 necessary to determine the percentage ^{increase} is available.

9 (c) "Local governmental unit" means a county, municipality, special purpose
10 district, school district, or technical college district.

11 (d) "Municipality" means a city or village and includes a district, utility, or other
12 entity that receives moneys from taxes or fees and that is created by a city or village,
13 except that "municipality" does not include a lake or sanitary district.

14 (e) "Population" means annual population estimates adjusted by the most
15 recent federal decennial census, as determined by the state.

16 (f) (6) "Revenue" means all revenue, except taxes levied by a county for the
17 purposes of a children with disabilities education board, if the board existed prior to
18 January 1, 2005, moneys used to pay the debt service on economic development
19 bonds as defined by law, one-time grants, interfund transfers, moneys deposited into
20 a fund under sub. (3), moneys received from the issuance of bonds, moneys used to
21 pay a settlement or damage award, moneys used for expenses arising from a natural
22 disaster or terrorist attack, ^{or} moneys received from the federal government, from
23 the state or a local governmental unit for providing governmental services to
24 governmental entities, from gifts, from settlements or damage awards, or from real
25 or personal property sales, moneys received for the operation of a telephone, gas,

1 electric, sewerage, or water utility, or moneys received for medical care provided by
2 a facility that is operated by any entity that is subject to the limits imposed under
3 this section, from unemployment insurance taxes, from insurance assessments or
4 premiums, from public employee or retiree payments for fringe benefits, from
5 governmental property insurance, from investment trusts, from private purpose
6 trusts, from college savings programs, from fees imposed for airport or mass
7 transportation systems, or from tuition or fees imposed for university or technical
8 college functions. “Revenue” includes moneys retained by a trustee for the purpose
9 of issuing, or paying debt service on, revenue bonds and, for the state, the amount
10 of any tax credit enacted into law after December 31, 2008, if the credit percentage
11 exceeds the applicable highest marginal tax rate. The legislature, by law, may
12 exclude from “revenue” moneys generated by a local governmental unit from
13 amounts paid voluntarily into an enterprise fund or from licenses, assessments, or
14 fees, if the money does not exceed the cost of issuing the license or providing the
15 service associated with the assessment or fee.

16 (g) (f) “Special purpose district” means any entity that is authorized to collect taxes
17 or fees, other than the state, a school district, a technical college district, a county,
18 a municipality, or a town.

19 (2) (a) Subject to subs. (3) to (7), (10), and (11), the state or a local governmental
20 unit, not including a school district, may not collect more in revenue, in 2010, than
21 the amount it collected in 2009, or, in ^{any} each subsequent year, than the maximum
22 amount it was permitted to collect in the previous year under this section, increased
23 by the lesser of the inflation factor or the income factor, plus:

24 1. For the state, a special purpose district, or a technical college district, the
25 percentage increase from the previous year in the population of the entity.

1 2. For a municipality or county, 67 percent of the percentage increase from the
 2 previous year in taxable property values attributable to new construction, less the
 3 taxable value of any property removed or demolished, in the municipality or county.

4 (b) Subject to subs. (5) to (7), each school district may collect in revenue the
 5 amount allocated to it by the legislature by law. The sum of all amounts allocated
 6 under this paragraph shall equal, for 2010, the revenue collected by all school
 7 districts in 2008, ^{and} or in each subsequent year, the maximum amount of revenue that
 8 all school districts ^{taken together} were permitted to collect in the previous year under this section,
 9 increased by the lessor of the inflation factor or the income factor, ^{plus} the percentage
 10 change, if any, for each of the 3 years preceding the previous year in ^{the} enrollment for ^{e of}
 11 all school districts. ^{that is the average of the percentage changes} ^{and further adjusted by}

12 ^{taken together} (3) (a) If the revenue received by the state in any year exceeds its limit under
 13 this section, the state shall deposit into an emergency reserve fund all of the excess
 14 revenue, except that the fund's total may not exceed 8 percent of the state's revenue
 15 in the previous year.

16 (b) The state shall return to the taxpayers the amount of any excess revenue
 17 that is not deposited into the emergency reserve fund. A refund made under this
 18 paragraph shall be made in the year immediately following the year in which the
 19 state has excess revenue.

20 (c) Expenditures may be made from the emergency reserve fund only for relief
 21 from taxes imposed by the state, for expenses arising from a natural disaster or
 22 terrorist attack, or in a year in which the amount of the state's limit under this section
 23 is greater than the amount of the state's revenue.

24 (4) The amount of revenue that the state deposits into a segregated fund in any
 25 year may not exceed the amount deposited into that fund in the previous year,

1 increased by the lessor of the inflation factor or the income factor, plus the percentage
2 increase from the previous year in the population of the state. No revenue source
3 designated, as of January 1, 2006, for a specific purpose and for use through a
4 segregated fund may be used for any other purpose.

5 (5) The state, by law, or a local governmental unit, by majority vote of the
6 governing body, may reduce its revenue limit. The state or a local governmental unit
7 may exceed its revenue limit only with the approval of the electors of the state or local
8 governmental unit, respectively, at a referendum. The referendum shall specify
9 whether the increase in the revenue limit is on a recurring or nonrecurring basis.

10 (6) (a) The legislature may, by law, proportionately adjust any limit imposed
11 under this section to accommodate the transfer of services from any entity subject
12 to a limit under this section to any other such entity, including the transfer of services
13 that results from annexation or from eliminating or reducing a state-mandated
14 service.

15 (b) In the year after the year in which a tax incremental finance district expires,
16 the legislature may, by law, adjust any limit imposed under this section so that the
17 legislature may allocate the amount of the previous year's increment to local
18 governmental units in proportion to the amount of each unit's tax levy rate that
19 contributed to the increment.

20 (7) The state revenue limit under this section for any year shall be reduced by
21 the amount of any reduction in that year in the aggregate amount of state aid to each
22 category of local governmental unit, as compared to the previous year.

23 (8) A state law or administrative rule that increases the expenditures of a local
24 governmental unit may not be enacted or adopted on or after the ratification of this
25 subsection unless the state pays the local governmental unit the reasonable costs

1 incurred by the local governmental unit to comply with the law or rule. This
2 subsection does not apply to any state law or administrative rule that is enacted or
3 adopted in order to comply with a requirement of federal law, including a
4 requirement related to receiving federal aid.

5 (9) No local governmental unit may be required under state law to increase its
6 annual compensation for any employee or group of employees by a percentage that
7 exceeds the allowable percentage increase in the revenue limit for that local
8 governmental unit under this section.

9 (10) The legislature by law may exempt a village from the limits imposed under
10 ^{this} section if the village's budget or tax levy is approved by the electors of the village at
11 an annual meeting.

12 (11) A special purpose ^{this} district may use revenue collected in excess of the limit
13 imposed under section to retire debt that was incurred prior to January 1, 2006.

14 **Insert RAC**

*Remove this and insert material
labeled INSERT RAC*

15 (13) Any individual or class of individuals residing in this state has standing
16 to bring a suit to enforce this section as it relates to the state or to the local
17 governmental unit in which the individual or class of individuals resides or pays
18 property taxes.

19 (14) Notwithstanding section 1 of article XII, the majority of the members
20 elected to each house of one legislature may approve any amendment to this section
21 and may submit any proposed amendment or amendments for approval and
22 ratification, consistent with section 1 of article XII.

23 **SECTION 2. Numbering of new provision.** The new section 11 of article VIII
24 of the constitution created in this joint resolution shall be designated by the next
25 higher open whole section number in that article if, before the ratification by the

1 people of the amendment proposed in this joint resolution, any other ratified
2 amendment has created a section 11 of article VIII of the constitution of this state.
3 If one or more joint resolutions create a section 11 of article VIII simultaneously with
4 the ratification by the people of the amendment proposed in this joint resolution, the
5 sections created shall be numbered and placed in a sequence so that the sections
6 created by the joint resolution having the lowest enrolled joint resolution number
7 have the numbers designated in that joint resolution and the sections created by the
8 other joint resolutions have numbers that are in the same ascending order as are the
9 numbers of the enrolled joint resolutions creating the sections.

10 ***Be it further resolved, That*** this proposed amendment be referred to the
11 legislature to be chosen at the next general election and that it be published for 3
12 months previous to the time of holding such election.

13 (END)

2005-2006 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0684/P1
RAC:.....

INSERT RAC

(12) All moneys received by the state, or by another person on behalf of the state, from any type of borrowing may only be used for a purpose specified in ^{OF} article VIII, section 7 (2) (a), except that the state may borrow moneys for cash flow purposes if the moneys are fully repaid in the same fiscal year in which they are borrowed. The state may not refund any type of borrowing if that refunding would increase the state's debt service obligation in any fiscal year. The state may not enter into an agreement or arrangement relating to any type of borrowing unless the financial benefits from that agreement or arrangement accrue proportionately over the life of the agreement or arrangement.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBs0684/P1dn

JK:...

/
yjs

Representative Wood:

Please review this draft carefully to ensure that it is consistent with your intent. Please note that the provision related to state borrowing may necessitate an additional ballot question because that provision is, arguably, beyond the scope of the revenue limit provisions. The same could be said for the provisions related to state mandates and allowing the approval of only one legislature for amending the section. However, as we have discussed, I can not predict how a court might rule with regard to whether the proposed amendment should have been submitted to the voters under multiple questions. Please contact me if you have any questions.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBs0684/P1dn

JK:cjs:rs

April 10, 2006

Representative Wood:

Please review this draft carefully to ensure that it is consistent with your intent. Please note that the provision related to state borrowing may necessitate an additional ballot question because that provision is, arguably, beyond the scope of the revenue limit provisions. The same could be said for the provisions related to state mandates and allowing the approval of only one legislature for amending the section. However, as we have discussed, I cannot predict how a court might rule with regard to whether the proposed amendment should have been submitted to the voters under multiple questions. Please contact me if you have any questions.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us



State of Wisconsin
2005 - 2006 LEGISLATURE

LRBs0684/P1

JK:cjs:rs

stays RY met R

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~
ASSEMBLY SUBSTITUTE AMENDMENT ,
TO 2005 ASSEMBLY JOINT RESOLUTION 77

in 4-10-06
NOW

Revenue cut

1 **To create** section 11 of article VIII of the constitution; **relating to:** creating a
2 revenue limit for the state and local governmental units, depositing excess
3 revenue into an emergency reserve fund, returning excess revenue to
4 taxpayers, elector approval for exceeding the revenue limit, state and local
5 governmental approval for reducing the revenue limit, requiring the state to
6 reduce its revenue limit in conjunction with reduction in state aid, prohibiting
7 the state from using bonds to pay for operating costs, reimbursing the
8 reasonable costs of imposing state mandates, standing to bring a suit to enforce
9 the revenue limits, and requiring the approval of only one legislature to amend
10 the revenue limit provisions (first consideration).

11 **Resolved by the assembly, the senate concurring, That:**

12 **SECTION 1.** Section 11 of article VIII of the constitution is created to read:

13 [Article VIII] Section 11 (1) In this section:

INSERT 2-11

moneys received by a local governmental unit under sub. (3),

1 (a) "Income factor" means the percentage that is the average of the annual
2 percentage increases, if any, in state personal income growth for each of the 3 most
3 recent years for which the information necessary to determine the percentage ^{increase} is
4 available.

5 (b) "Inflation factor" means the percentage that is the average of the annual
6 percentage increases, if any, in the consumer price index for Milwaukee-Racine, or
7 its successor index, for each of the 3 most recent years for which the information
8 necessary to determine the percentage ~~increase~~ ^{increase} is available.

9 (c) "Local governmental unit" means a county, municipality, special purpose
10 district, school district, or technical college district.

11 (d) "Municipality" means a city or village and includes a district, utility, or other
12 entity that receives moneys from taxes or fees and that is created by a city or village,
13 except that "municipality" does not include a lake or sanitary district.

14 (e) "Population" means annual population estimates adjusted by the most
15 recent federal decennial census, as determined by the state.

16 (f) "Revenue" means all revenue, except taxes levied by a county for the
17 purposes of a children with disabilities education board, if the board existed prior to
18 January 1, 2005, moneys used to pay the debt service on economic development
19 bonds as defined by law, one-time grants, interfund transfers, moneys deposited into
20 a fund under sub. (3), moneys received from the issuance of bonds, moneys used to
21 pay a settlement or damage award, moneys used for expenses arising from a natural
22 disaster or terrorist attack, or moneys received from the federal government, from
23 the state or a local governmental unit for providing governmental services ~~to~~ for
24 governmental entities, from gifts, from settlements or damage awards, or from real
25 or personal property sales, moneys received for the operation of a telephone, gas,

or from short-term cash
or from short-term cash
borrowing

1 electric, sewerage, or water utility, or moneys received for medical care provided by
 2 a facility that is operated by any entity that is subject to the limits imposed under
 3 this section, from unemployment insurance taxes, from insurance ~~assessments~~ or
 4 premiums, from public employee or retiree payments for fringe benefits, from
 5 governmental property insurance, from investment trusts, from private purpose
 6 trusts, from college savings programs, from fees imposed for airport or mass
 7 transportation systems, or from tuition or fees imposed for university or technical
 8 college functions. "Revenue" includes moneys retained by a trustee for the purpose
 9 of issuing, or paying debt service on, revenue bonds and, for the state, the amount
 10 of any tax credit enacted into law after December 31, 2008, if the credit percentage
 11 exceeds the applicable highest marginal tax rate. The legislature, by law, may
 12 exclude from "revenue" moneys generated by a local governmental unit from
 13 amounts paid voluntarily into an enterprise fund or from licenses, assessments, or
 14 fees, if the money does not exceed the cost of issuing the license or providing the
 15 service associated with the assessment or fee.

16 (g) "Special purpose district" means any entity that is authorized to collect
 17 taxes or fees, other than the state, a school district, a technical college district, a
 18 county, a municipality, or a town.

19 (2) (a) Subject to subs. (3) to (7), (10), and (11), the state or a local governmental
 20 unit, not including a school district, may not collect more in revenue, in 2010, than
 21 the amount it collected in 2009, or, in any subsequent year, than the maximum
 22 amount it was permitted to collect in the previous year under this section, increased
 23 by the lesser of the inflation factor or the income factor, plus: *both as*

24 1. For the state, a special purpose district, or a technical college district, the
 25 *annual* percentage increase ~~from the previous year~~ in the population of the entity.

This is a change

Increase

for the most recent year for which the information necessary to determine the percentage is available

increase

for the most recent year for which the information necessary to determine the percentage is available

1 2. For a municipality or county, 67 percent of the ^{annual} percentage increase ~~from the~~
2 ~~previous year~~ in taxable property values attributable to new construction, less the
3 taxable value of any property removed or demolished, in the municipality or county.

4 (b) Subject to subs. (5) ^{and (6)} ~~to (6)~~, each school district may collect in revenue the
5 amount allocated to it by the legislature by law. The sum of all amounts allocated
6 under this paragraph shall ~~equal~~ ^{not exceed} for 2010, the revenue collected by all school
7 districts in ~~2008~~ ²⁰⁰⁹, and, in each subsequent year, the maximum amount of revenue
8 that all school districts taken together were permitted to collect in the previous year
9 under this section, increased by the lessor of the inflation factor or the income factor,
10 and further adjusted by the percentage change that is the average of the ^{annual} percentage
11 changes, if any, ~~for each of the 3 years preceding the previous year~~ in the enrollment

12 of all school districts taken together.

for each of the 3 most recent years for which the information necessary to determine the percentage is available

13 (3) (a) If the revenue received by the state in any year ^{change} exceeds its limit under
14 this section, the state shall deposit into an emergency reserve fund all of the excess
15 revenue, except that the fund's total may not exceed 8 percent of the state's revenue
16 in the previous year.

17 (b) The state shall return to the taxpayers ~~the amount of~~ any excess revenue
18 that is not deposited into the emergency reserve fund. A refund made under this
19 paragraph shall be made in the year immediately following the year in which the
20 state has excess revenue.

21 (c) Expenditures may be made from the emergency reserve fund only for relief
22 from taxes imposed by the state, for expenses arising from a natural disaster or
23 terrorist attack, or in a year in which the ~~amount of the~~ state's limit under this section
24 is greater than ~~the amount of~~ the state's revenue.

4

6

7

12

17

23

24

INSERT 4-12

may not

more revenue

2010,

2009

1 *than* (4) ~~The amount of revenue that~~ the state deposits into a segregated fund, in any
 2 ~~year may not exceed~~ the amount deposited into that fund in ~~the previous year,~~
 3 increased by the lessor of the inflation factor or the income factor, plus the percentage
 4 increase from the previous year in the population of the state. No revenue
 5 designated, ~~as of~~ *on or after* January 1, 2006, ~~for a specific purpose and~~ for use through a
 6 segregated fund may be used for any other purpose.

7 (5) The state, by law, or a local governmental unit, by majority vote of the
 8 governing body, may reduce its revenue limit. The state or a local governmental unit
 9 may exceed its revenue limit only with the approval of the electors of the state or local
 10 governmental unit, respectively, at a referendum. The referendum shall specify
 11 whether the increase in the revenue limit is on a recurring or nonrecurring basis.

INSERT 5-12

12 (6) (a) The legislature may, by law, proportionately adjust any limit imposed
 13 under this section to accommodate the transfer of services from any entity subject
 14 to a limit under this section to any other such entity, including the transfer of services
 15 that results from annexation or from eliminating or reducing a state-mandated
 16 service.

17 (b) In the year after the year in which a tax incremental district expires, the
 18 legislature may, by law, adjust any limit imposed under this section so that the
 19 legislature may allocate the amount of the previous year's increment to local
 20 governmental units in proportion to the amount of each unit's tax levy rate that
 21 contributed to the increment.

county, city, village, town, special purpose district, school district, or technical college district

22 (7) The state revenue limit under this section for any year shall be reduced by
 23 the amount of any reduction in that year in the aggregate amount of state aid to any
 24 *of the* ~~category~~ *ies* of local governmental unit, as compared to the previous year.

or, in any subsequent year, than the maximum amount it was permitted to deposit into that fund in the previous year under this subsection, both as

stays

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

(8) A state law or administrative rule that increases the expenditures of a local governmental ~~unit~~ *unit's expenditures* may not be enacted or adopted on or after the ratification of this subsection unless the state pays the local governmental ~~unit~~ *entity* the reasonable costs incurred by the local governmental ~~unit~~ *entity* to comply with the law or rule. This subsection does not apply to any ~~state~~ *state* law or ~~administrative~~ *administrative* rule that is enacted or adopted in order to comply with a requirement of federal law, including a requirement related to receiving federal aid.

Amounts paid under this subsection are not considered revenue for purposes of determining the limit under this section.

(9) No local governmental unit may be required under state law to increase its annual compensation for any employee or group of employees by a percentage that exceeds the allowable percentage increase in the revenue limit for that local governmental unit under this section.

(10) The legislature by law may exempt a village from the limits imposed under this section *if* the village's budget or tax levy is approved by the electors of the village at an annual meeting.

INSERT 6-13

(11) A special purpose district may use revenue collected in excess of the limit imposed under this section to retire *or defease* debt that was incurred prior to January 1, 2006.

(12) All moneys received by the state, or by another person on behalf of the state, from any type of borrowing may only be used for a purpose specified in section 7 (2) (a) of article VIII, except that the state may borrow moneys for cash flow purposes if the moneys are fully repaid in the same fiscal year in which they are borrowed. The state may not refund any type of borrowing if that refunding would increase the state's debt service obligation in any fiscal year. The state may not enter into an agreement or arrangement relating to any type of borrowing unless the financial benefits from that agreement or arrangement accrue proportionately over the life of the agreement or arrangement.

Insert 7-5

5 that are
directly related to the
revenue limits under this
section

Section 1 of article XII applies to any proposed amendment to this section, except that, notwithstanding section 1 of article XIII, if a proposed amendment to this section is ratified by a majority of the members of each house of the legislature, it shall be submitted to the people for approval and ratification without being referred to the legislature to be chosen at the next general election.

1 (13) Any individual or class of individuals residing in this state has standing
2 to bring a suit to enforce this section as it relates to the state or to the local
3 governmental unit in which the individual or class of individuals resides or pays
4 property taxes.

5 (14) *INSERT 7-5*
6 Notwithstanding section 1 of article XII, the majority of the members
7 elected to each house of one legislature may approve any amendment to this section
8 and may submit any proposed amendment or amendments for approval and
ratification, consistent with section 1 of article XII

9 **SECTION 2. Numbering of new provision.** The new section 11 of article VIII
10 of the constitution created in this joint resolution shall be designated by the next
11 higher open whole section number in that article if, before the ratification by the
12 people of the amendment proposed in this joint resolution, any other ratified
13 amendment has created a section 11 of article VIII of the constitution of this state.
14 If one or more joint resolutions create a section 11 of article VIII simultaneously with
15 the ratification by the people of the amendment proposed in this joint resolution, the
16 sections created shall be numbered and placed in a sequence so that the sections
17 created by the joint resolution having the lowest enrolled joint resolution number
18 have the numbers designated in that joint resolution and the sections created by the
19 other joint resolutions have numbers that are in the same ascending order as are the
20 numbers of the enrolled joint resolutions creating the sections.

21 ***Be it further resolved, That*** this proposed amendment be referred to the
22 legislature to be chosen at the next general election and that it be published for 3
23 months previous to the time of holding such election.

24 (END)

INSERT 4-12

1 2. For a school district, the percentage that is the average of the annual
2 percentage increases, if any, for each of the 3 years preceding the previous year in
3 enrollment of students in 5-year-old kindergarten through the 12th grade.

4 3. For a municipality, 60 percent of the percentage increase, if any, from the first
5 to the 2nd of the 2 previous years in taxable property values attributable to new
6 construction, less the taxable value of any property removed or demolished, in the
7 municipality.

8 (b) Subject to subs. (3), (4), and (6) to (8), beginning with the 2010 calendar year,
9 for calendar year entities, and beginning with the 2011 fiscal year, for fiscal year
10 entities, the state or a local governmental unit may not, in any calendar year or in
11 any fiscal year, as applicable, collect more in revenue than the maximum amount
12 that it was permitted to collect in the previous calendar year, for calendar year
13 entities, or in the previous fiscal year, for fiscal year entities, under this subsection,
14 increased by the inflation factor or the income factor, whichever is smaller, plus the
15 applicable percentage increase under par. (a) 1., 2., or 3.

16 (c) If a town ^{or village} that is not subject to the revenue limit under this section for the
17 2009 ~~calendar year~~ becomes subject to the limit after that year, the town's base year
18 revenue amount for computing the revenue limit for the current year equals
19 \$1,000,000 increased by the percentage increase, if any, in the consumer price index
20 for Milwaukee-Racine or its successor index from ~~the~~ 2007 ~~calendar year~~ to the 3rd
21 calendar year preceding the calendar year in which the town became subject to the
22 limit.

23 ~~(3) (a) If the revenue received by the state in any state fiscal year exceeds its~~
24 ~~limit under this section, the state shall deposit into an emergency reserve fund all~~
25 ~~of the excess revenue, except that the total amount in the emergency reserve fund~~

Insert 2 - 11

no 4

1 "Municipality" means a city, village, or town, not including a town whose
2 budgeted revenue is less than \$1,000,000 in 2009 or, in subsequent years, less than
3 \$1,000,000 increased by the inflation factor. A district, utility, or other entity, not
4 including a lake or sanitary district, that receives moneys from taxes or fees, and that
5 is created by a city, village, or town, is included as part of the city, village, or town that
6 created it for purposes of determining the limits under this section. ✓

Insert 5 - 12

no 4

7 The legislature may, by law, adjust any limit imposed under this section:
8 (a) To accommodate the transfer of services from any entity subject to a limit
9 under this section to any other such entity, including the transfer of services that
10 results from annexation. Any increase to a entity's limit under this subsection shall
11 be offset with a corresponding decrease to the limit of other entities affected by the
12 transfer of services.
13 (b) To reflect the elimination or reduction of a state-mandated service.
14 (c) To allocate ^{the amount of} the final year's increment of a tax incremental district to local
15 governmental units, towns, and villages, in proportion to their levy rate's
16 contribution to the increment.

Insert 6 - 13

no 4

17 if the village's budgeted revenue is less than \$1,000,000 in 2009 or, in
18 subsequent years, less than \$1,000,000 increased by the inflation factor and

Champagne, Rick

From: Fiocchi, Tim
Sent: Monday, April 10, 2006 7:13 PM
To: Kreye, Joseph; Lang, Bob; Ammerman, Fred; 'loppnow.dave@legis.state.wi.us'; Champagne, Rick
Subject: RE: LRB 05s0684 Topic: Revenue Limits
Importance: High

Good morning,

We need to make one change to the /1 draft. On page 6 line 19 the text needs to be changed to read, "*Amounts received by a local governmental unit or town under this subsection are not considered revenue for purposes of determining the limit under this section.*"

As it reads right now we're concerned it would exempt the revenues the state brings in to make the payments.

We need to get a /2 draft as quickly as possible so that it can be introduced before 10:00AM.

Sorry for the rush. I'll be in by 8:00 but if you need to reach me and don't get an answer in the office please call my cell 712-7727.

Thank you for all your help.

Tim

From: Barman, Mike
Sent: Monday, April 10, 2006 5:47 PM
To: Rep.WoodJ
Subject: LRB 05s0684 Topic: Revenue Limits

The attached proposal has been jacketed for introduction.

A copy has also been sent to: joseph.kreye@legis.state.wi.us; bob.lang@legis.state.wi.us; fred.ammerman@legis.state.wi.us; loppnow.dave@legis.state.wi.us; rick.champagne@legis.state.wi.us;

<< File: LRB s0684_1 >>