

2011 DRAFTING REQUEST

Bill

Received: **01/12/2011**

Received By: **pgrant**

Wanted: **As time permits**

Companion to LRB:

For: **Administration-Budget**

By/Representing: **Boggs**

May Contact:

Drafter: **pgrant**

Subject: **Higher Education - tech. college**

Addl. Drafters:

Extra Copies: **MDK**

Submit via email: **NO**

Pre Topic:

DOA:.....Boggs, BB0217 -

Topic:

Freeze property tax levies

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pgrant 01/12/2011	csicilia 01/14/2011		_____			S&L
/1			mduchek 01/17/2011	_____	sbasford 01/17/2011		

FE Sent For:

<END>

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/?	pgrant	/ 1 gS	1/14	1/14			

FE Sent For:

<END>

Grant, Peter

From: Hanaman, Cathlene
Sent: Wednesday, January 12, 2011 8:28 AM
To: Grant, Peter; Kunkel, Mark
Subject: FW: Statutory Language Drafting Request

From: DOADLBBASADMININTERNETSHAREPOINT@WI.GOV
[mailto:DOADLBBASADMININTERNETSHAREPOINT@WI.GOV]
Sent: Tuesday, January 11, 2011 5:29 PM
To: Hanaman, Cathlene
Cc: Hetzel, Shayna - DOA; Thornton, Scott - DOA; Hanle, Bob - DOA; Boggs, Breann C - DOA
Subject: Statutory Language Drafting Request

Topic: Cap technical college district tax levies at FY11 levels

Tracking Code: BB0217

SBO Team: ECF

SBO Analyst: Breann Boggs
Phone: (608) 266-2843
E-mail: Breann.Boggs@wisconsin.gov

Agency Acronym: WTCSB

Agency Number: 292

Priority: High

Intent:

Amend, Wis. Stat. 38.16 District Tax Levy, in order to cap the district tax levy at FY11 levels for 2011-12 and 2012-13.

The intent of this change is to prevent the total dollars levied per technical school district from increasing above the total amount levied in FY11, despite any potential increases in property value.

Attachments: False

*1/12 TC w/Breann:
Exclude taxes levied to pay
debt service from the limit.
penalty for exceeding?
yes -
see attached*

Grant, Peter

From: Boggs, Breann C - DOA [Breann.Boggs@wisconsin.gov]

Sent: Wednesday, January 12, 2011 12:05 PM

To: Grant, Peter

Cc: Hanle, Bob - DOA

Subject: RE: Statutory Language Drafting Request

Hello Peter,

Yes, it should impose a penalty if the district exceeds the levy limit. It could be structured like the penalties imposed on counties and municipalities under Wis. Stat 66.0602(2) (levy limit) and Wis. Stat 66.0602(6), (a) through (d) (penalties).

Other elements that should be included:

- A provision is the there is a mistake, such as in Wis. Stat. 66.0602(6m)
- A sunset clause for FY2013.

The statutes and relevant language related to counties and municipalities are listed below:

66.0602(2)

(2) Levy limit. Except as provided in subs. (3), (4), and (5), no political subdivision may increase its levy in any year by a percentage that exceeds the political subdivision's valuation factor. The base amount in any year, to which the limit under this section applies, shall be the maximum allowable levy for the immediately preceding year. In determining its levy in any year, a city, village, or town shall subtract any tax increment that is calculated under s. 59.57 (3) (a), 60.85 (1) (L), or 66.1105 (2) (i). The base amount in any year, to which the limit under this section applies, may not include any amount to which sub. (3) (e) 8. applies.

Penalties:

66.0602(6)(a)

(a) Reduce the amount of county and municipal aid payments to the political subdivision under s. 79.035 in the following year by an amount equal to the amount of the penalized excess.

66.0602(6)(b)

(b) Ensure that the amount of any reductions in county and municipal aid payments under par. (a) lapses to the general fund.

66.0602(6)(c)

(c) Ensure that the amount of the penalized excess is not included in determining the limit described under sub. (2) for the political subdivision for the following year.

66.0602(6)(d)

(d) Ensure that, if a political subdivision's penalized excess exceeds the amount of aid payment that may be reduced under par. (a), the excess amount is subtracted from the aid payments under par. (a) in the following years until the total amount of penalized excess is subtracted from the aid payments.

Mistakes:

66.0602(6m)

(6m) Mistakes in levies. The department of revenue may issue a finding that a political subdivision is not liable for a penalty that would otherwise be imposed under sub. (6) if the department determines that the political subdivision's penalized excess is caused by one of the following clerical errors:

66.0602(6m)(a)

(a) The department, through mistake or inadvertence, has assessed to any county or taxation district, in the current year or in the previous year, a greater or less valuation for any year than should have been assessed, causing the political subdivision's levy to be erroneous in a way that directly causes a penalized excess.

66.0602(6m)(b)

(b) A taxation district clerk or a county clerk, through mistake or inadvertence in preparing or delivering the tax roll, causes a political subdivision's levy to be erroneous in a way that directly causes a penalized excess.

Sunset:

66.0602(7)

(7) **Sunset.** This section does not apply to a political subdivision's levy that is imposed after December 2010.

Thanks, Peter.

Please let me know if there are additional questions.

Breann C. Boggs

Executive Policy and Budget Analyst

Wisconsin Department of Administration

Division of Executive Budget and Finance

608.266.2843

breann.boggs@wisconsin.gov

From: Grant, Peter [mailto:Peter.Grant@legis.wisconsin.gov]

Sent: Wednesday, January 12, 2011 9:33 AM

To: Boggs, Breann C - DOA

Subject: FW: Statutory Language Drafting Request

One more question, Breann: do you want to impose a penalty if a district exceeds its levy limit?

From: Grant, Peter

Sent: Wednesday, January 12, 2011 9:07 AM

To: Boggs, Breann C - DOA

Subject: FW: Statutory Language Drafting Request

Breann, should taxes levied for debt service be exempt from the levy limit? (Note that they are exempt now from the 1.5 mill limit.) I know bond counsel will be much happier if they are.

Peter

From: Hanaman, Cathlene

Sent: Wednesday, January 12, 2011 8:28 AM

To: Grant, Peter; Kunkel, Mark

Subject: FW: Statutory Language Drafting Request

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1/12/2011

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SBO Analyst: Breann Boggs

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The intent of this change is to prevent the total dollars levied per technical school district from increasing above the total amount levied in FY11, despite any potential increases in property value.

Attachments: False

Date (time) needed _____

LRB- 098811

DOA BUDGET DRAFT

PG : gjs :

Use the appropriate components and routines developed for bills.

>>FOR BUDGET — NOT READY FOR INTRODUCTION<<

AN ACT . . . [DO NOT generate catalog]; relating to: the budget.

.....
.....

Analysis by the Legislative Reference Bureau

If titles are needed in the analysis, in the component bar:

For the main heading, execute: create → anal: → title: → head

For the subheading, execute: create → anal: → title: → sub

For the sub-subheading, execute: create → anal: → title: → sub-sub

For the analysis text, in the component bar:

For the text paragraph, execute: create → anal: → text

(attached)

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

SECTION #.



✓ X A

①

SEC. # CR. 38.16 (3)

①

38.16(3)¹②

38.16(3) (a) In this subsection: "Tax levy"

excludes taxes levied for the purpose of paying principal and interest on valid bonds and notes.

①

(b) Notwithstanding sub. (1), a

district board's tax levy in 2011 and in 2012

may not exceed the district board's tax levy

in 2010.

④

1. "Department" means the department of revenue.

④

2. "Excess levy" means the amount by which a district board's tax levy exceeds the limit under par. (b).

④

3.

THIS IS FROM 66.06 02

(c) ~~Penalties~~ Except as provided in ~~sub. (b)~~, if the ~~Department of Revenue~~ determines that a ~~political subdivision~~ has ~~penalized~~ excess in ~~any year~~, the ~~Department of Revenue~~ shall do all of the following:

1. ~~Reduce~~ the amount of ~~county and municipal~~ aid payments to the ~~political subdivision~~ under ~~s. 79.03~~ in the ~~following~~ year by an amount equal to the amount of the ~~penalized~~ excess. ~~levy~~
imposed on
par. (d)
board
district board
2011 or 2012
state
board
school
in which the district board imposed the excess levy
district board

2. Ensure that the amount of any reductions in ~~county and municipal aid payments~~ under ~~par. (a)~~ lapses to the general fund.
state and
subd. 1.

3. Ensure that the amount of the ~~penalized~~ excess is not included in determining the limit described under ~~sub. (b)~~ for the ~~political subdivision~~ for the following year.
levy
par. (b)
district board
district board's
levy
state
state

4. Ensure that, if a ~~political subdivision's~~ ~~penalized~~ excess exceeds the amount of aid ~~payments~~ that may be reduced under ~~par. (a)~~, the excess amount is subtracted from the aid payments ~~under par. (a)~~ in the following years until the total amount of ~~penalized~~ excess is subtracted from the aid payments.
school
subd. 1.
the
levy
state

(d) ~~Errors or mistakes in levies~~ The department ~~of Revenue~~ may issue a finding that a ~~political subdivision~~ is not liable for a penalty that would otherwise be imposed under ~~sub. (c)~~ if the department determines that the ~~political subdivision's~~ ~~penalized~~ excess is caused by one of the following clerical errors:
par. (c)
district board
district board's
levy
lesser

1. (a) The department, through mistake or inadvertence, has assessed to any county or taxation district, in the current year or in the previous year, a greater or ~~less~~ valuation for any year than should have been assessed, causing the ~~political subdivision's~~ levy to be erroneous in a way that directly causes ~~penalized~~ excess.
district board's
an
levy

2. (b) A taxation district clerk or a county clerk, through mistake or inadvertence in preparing or delivering the tax roll, causes a ~~political subdivision's~~ levy to be erroneous in a way that directly causes ~~penalized~~ excess.
district board's
an
levy

→ (End) ←

⑨

EDUCATION

← head ✓

⑨

HIGHER EDUCATION

← sub ✓

⑨

This bill prohibits a technical college tax levy for operations in 2011 district board's tax levy for operations in 2011 and 2012 from being greater than its tax levy for operations in 2010.

If a district board's levy exceeds the allowable amount, the ^I ^C ~~state~~ technical college System Board must reduce the district's state payments by the amount of the excess levy unless DOR determine unless DOR determines that the district board's excess levy was caused by a clerical error made by DOR or a taxation district or county clerk.

→ FE-SL ←



DOA:.....Boggs, BB0217 - Freeze property tax levies

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

EDUCATION

HIGHER EDUCATION

This bill prohibits a technical college district board's tax levy for operations in 2011 and 2012 from being greater than its tax levy for operations in 2010. If a district board's levy exceeds the allowable amount, the Technical College System Board must reduce the district's state aid payments by the amount of the excess levy unless DOR determines that the district board's excess levy was caused by a clerical error made by DOR or a taxation district or county clerk.

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:

2 **SECTION 1.** 38.16 (3) of the statutes is created to read:

3 38.16 (3) (a) In this subsection:

4 1. "Department" means the department of revenue.

1 2. "Excess levy" means the amount by which a district board's tax levy exceeds
2 the limit under par. (b).

3 3. "Tax levy" excludes taxes levied for the purpose of paying principal and
4 interest on valid bonds and notes.

5 (b) Notwithstanding sub. (1), a district board's tax levy in 2011 and in 2012 may
6 not exceed the district board's tax levy in 2010.

7 (c) Except as provided in par. (d), if the board determines that a district board
8 imposed an excess levy in 2011 or 2012, the board shall do all of the following:

9 1. Reduce the amount of state aid payments to the district board in the school
10 year in which the district board imposed the excess levy by an amount equal to the
11 amount of the excess levy.

12 2. Ensure that the amount of any reductions in state aid under subd. 1. lapses
13 to the general fund.

14 3. Ensure that the amount of the excess levy is not included in determining the
15 limit described under par. (b) for the district board for the following year.

16 4. Ensure that, if a district board's excess levy exceeds the amount of state aid
17 that may be reduced under subd. 1., the excess amount is subtracted from state aid
18 payments in the following years until the total amount of the excess levy is
19 subtracted from the state aid payments.

20 (d) The department may issue a finding that a district board is not liable for
21 a penalty that would otherwise be imposed under par. (c) if the department
22 determines that the district board's excess levy is caused by one of the following
23 clerical errors:

24 1. The department, through mistake or inadvertence, has assessed to any
25 county or taxation district, in the current year or in the previous year, a greater or

1 lesser valuation for any year than should have been assessed, causing the district
2 board's levy to be erroneous in a way that directly causes an excess levy.

3 2. A taxation district clerk or a county clerk, through mistake or inadvertence
4 in preparing or delivering the tax roll, causes a district board's levy to be erroneous
5 in a way that directly causes an excess levy.

6 (END)