



2011 SENATE BILL 224

October 6, 2011 – Introduced by Senator DARLING, cosponsored by Representative KERKMAN. Referred to Committee on Public Health, Human Services, and Revenue.

- 1 **AN ACT** *to create* 66.0602 (3) (k) of the statutes; **relating to:** exception to local
2 levy limits for the village of Shorewood.

Analysis by the Legislative Reference Bureau

Generally under current law, and subject to a number of exceptions, a city, village, town, or county (political subdivision) may not increase its levy by a percentage that exceeds its "valuation factor," which is defined as the greater of either zero percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed. The base amount of a political subdivision's levy, on which the levy limit is imposed, is the actual levy for the immediately preceding year.

Because of an error by the village of Shorewood assessor in reporting the valuation of Tax Incremental District (TID) Number 1 in the village, should the village impose its intended 2011 levy, the resulting tax rate would lead to the collection of higher than intended revenues for TID Number 1. If the village reduces its levy and resulting tax rate, however, the levy will be less than initially intended and the levy limit for 2012 would be based at the reduced levy for 2011. Under this bill, the levy limits applicable to the village of Shorewood are increased by: 1) for 2012, the amount by which the village reduces its levy from the amount it would have levied in 2011 if not for an error in the valuation of the village's TID Number 1 to compensate for that error, and 2) for 2012 and 2013, a combined amount equal to the amount of funds applied from the village's general fund in 2011 to replace funds that

