



2011 SENATE BILL 452

February 9, 2012 – Introduced by Senators VINEHOUT and LASSA, cosponsored by Representatives RADCLIFFE and VRUWINK. Referred to Committee on Public Health, Human Services, and Revenue.

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

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.

In 2011, the Department of Revenue (DOR) undervalued a tax incremental district in the village of Warrens. Under current law, if DOR makes an error in determining the equalized value in any county or taxation district, DOR corrects the error by adjusting the taxation district's equalized value in the year after the year in which DOR made the error. Because of the 2011 valuation error, should the village impose its intended 2012 levy, the resulting tax rate would be higher than the village intended. If the village reduces its levy and resulting tax rate, however, the levy will be less than initially intended and the levy limit for 2013 would be based at the reduced levy for 2012. Under this bill, the levy limits applicable to the village of Warrens for 2013 are increased by the amount by which the village reduces its levy from the amount it would have levied in 2012 if not for the valuation error to

