

## 2013 DRAFTING REQUEST

### Bill

Received: 2/7/2013 Received By: mshovers  
Wanted: As time permits Same as LRB:  
For: Jim Steineke (608) 266-2418 By/Representing: Jon  
May Contact: Drafter: mshovers  
Subject: Local Gov't - counties Addl. Drafters:  
Local Gov't - munis generally  
Tax, Other - miscellaneous Extra Copies: EVM, JK

Submit via email: YES  
Requester's email: Rep.Steineke@legis.wisconsin.gov  
Carbon copy (CC) to:

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### Pre Topic:

No specific pre topic given

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### Topic:

Cap the interest rate a local government may impose on special assessments

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### Instructions:

See attached

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### 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>
/?	mshovers 3/13/2013			_____			
/1	mshovers 3/21/2013	csicilia 3/14/2013	rschluet 3/14/2013	_____	sbasford 3/14/2013		State S&L
/2	mshovers 4/2/2013	csicilia 3/28/2013	rschluet 3/28/2013	_____	sbasford 3/28/2013		State S&L
/3	mshovers	csicilia	rschluet	_____	srose		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	10/10/2013	4/3/2013	4/3/2013	_____	4/3/2013		S&L
/4		csicilia	rschluet	_____	srose	lparisi	State
		10/10/2013	10/10/2013	_____	10/10/2013	10/10/2013	S&L

FE Sent For:

<END>

→ At Intro.

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Vers. Drafted

Reviewed  
4/3/2013

Typed  
4/3/2013

Proofed  
\_\_\_\_\_

Submitted  
4/3/2013

Jacketed

Required  
S&L

FE Sent For:

14 ips 10/10  
13 <END>

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13 MES 4/2/13

13 gs 4/3/13

FE Sent For:

<END>

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12 MES 3/21/13  
FE Sent For:

Handwritten notes and signatures:  
 12.gjs 3/26/13  
 13  
 END  
 (Signature)

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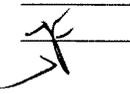
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1/1 NES 3/13/13 FE Sent For:							

<END>

**Shovers, Marc**

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**From:** Turke, Jon  
**Sent:** Friday, January 25, 2013 4:27 PM  
**To:** Shovers, Marc  
**Subject:** RE: Drafting request

On the first part, we just want to have the language of 74.37(5) be consistent with 74.35(4).

And that is correct on the second part.

Thanks!

**Jon Turke**

Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418

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**From:** Shovers, Marc  
**Sent:** Friday, January 25, 2013 11:41 AM  
**To:** Turke, Jon  
**Subject:** RE: Drafting request

Hi Jon:

I may be the person to draft this bill, but I'm not really sure on what you'd like to cap interest payments. With regard to the first item:

puts a cap on interest paid to homeowners whose properties are incorrectly zoned and are due a tax refund because of it.

I'm not sure what this refers to. I'm not aware of how a homeowner would have a property that's incorrectly zoned, and under what statute the homeowner would be entitled to receive a tax refund and interest on the refund based on improper zoning. Could you be referring to s. 74.35 of the statutes, which is in the property tax chapter, and allows for recovery of unlawful taxes? Please see the following statutes, ss. 74.35 (1) and 74.33 (1) (a) to (f):

*74.35(1)*

*(1) DEFINITIONS. In this section "unlawful tax" means a general property tax with respect to which one or more errors specified in s. 74.33 (1) (a) to (f) were made. "Unlawful tax" does not include a tax in respect to which the alleged defect is solely that the assessor placed a valuation on the property that is excessive.*

*74.33(1)(a)*

*(a) A clerical error has been made in the description of the property or in the computation of the tax.*

*74.33(1)(b)*

*(b) The assessment included real property improvements which did not exist on the date under s. 70.10 for making the assessment.*

*74.33(1)(c)*

*(c) The property is exempt by law from taxation, except as provided under sub. (2).*

*74.33(1)(d)*

*(d) The property is not located in the taxation district for which the tax roll was prepared.*

*74.33(1)(e)*

*(e) A double assessment has been made.*

*74.33(1)(f)*

*(f) An arithmetic, transpositional or similar error has occurred.*

The interest provision in that statute is as follows:

*74.35(4)*

*(4) INTEREST. The amount of a claim filed under sub. (2) or an action commenced under sub. (3) may include interest computed from the date of filing the claim against the taxation district, at the rate of 0.8% per month.*

There's another provision, in s. 74.37, for claims on excessive assessment, but the interest rate in that statute is already pegged to 6 month T-bills:

*74.37(5)*

*(5) INTEREST. The amount of a claim filed under sub. (2) or an action commenced under sub. (3) may include interest at the average annual discount rate determined by the last auction of 6-month U.S. treasury bills before the objection per day for the period of time between the time when the tax was due and the date that the claim was paid.*

If these are not the statutes you're referring to as a property that's incorrectly zoned, please let me know to what statute you are referring.

Your second concern is the following:

The other part is a cap on interest rates that homeowners are charged for special assessments when the costs are deferred.

Am I correct in assuming that you're referring to interest on special assessments under s. 66.0715 (3) (b)?

*66.0715(3)(b)*

*(b) The first installment shall include a proportionate part of the principal of the special assessment, determined by the number of installments, together with interest on the whole assessment from a date, not before the date of the notice under par. (e), and to that date, not later than December 31, in the year in which the installment is to be collected as determined by the governing body. Each subsequent installment shall include the same proportion of the principal and one year's interest on the unpaid portion of the assessment.*

Thanks for your help, Jon.

Marc

Marc Shovers  
Managing Attorney  
Legislative Reference Bureau  
608-266-0129  
[marc.shovers@legis.wisconsin.gov](mailto:marc.shovers@legis.wisconsin.gov)

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**From:** Turke, Jon  
**Sent:** Friday, January 25, 2013 9:04 AM  
**To:** Shovers, Marc  
**Subject:** Drafting request

Hi Mark-

I'm not sure if you're the right subject area, but I thought I'd take a shot.

We would like to draft a bill that puts a cap on interest paid to homeowners whose properties are incorrectly zoned and are due a tax refund because of it. The other part is a cap on interest rates that homeowners are charged for special assessments when the costs are deferred. Both would be pegged to the average annual discount rate of a 6-month U.S. Treasury Bond.

Thanks!

**Jon Turke**  
Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418

## Shovers, Marc

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**From:** Turke, Jon  
**Sent:** Tuesday, February 19, 2013 10:19 AM  
**To:** Shovers, Marc  
**Subject:** RE: Drafting request

Hey Marc-

As an update to this bill related to the special assessment rates, we would like to cap them at Prime+3%. Also make sure that the interest rate set at the beginning is the one that lasts throughout the life of the special assessment.

Thanks!

### Jon Turke

Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418

---

**From:** Shovers, Marc  
**Sent:** Friday, January 25, 2013 11:41 AM  
**To:** Turke, Jon  
**Subject:** RE: Drafting request

Hi Jon:

I may be the person to draft this bill, but I'm not really sure on what you'd like to cap interest payments. With regard to the first item:

puts a cap on interest paid to homeowners whose properties are incorrectly zoned and are due a tax refund because of it.

I'm not sure what this refers to. I'm not aware of how a homeowner would have a property that's incorrectly zoned, and under what statute the homeowner would be entitled to receive a tax refund and interest on the refund based on improper zoning. Could you be referring to s. 74.35 of the statutes, which is in the property tax chapter, and allows for recovery of unlawful taxes? Please see the following statutes, ss. 74.35 (1) and 74.33 (1) (a) to (f):

#### *74.35(1)*

*(1) DEFINITIONS. In this section "unlawful tax" means a general property tax with respect to which one or more errors specified in s. 74.33 (1) (a) to (f) were made. "Unlawful tax" does not include a tax in respect to which the alleged defect is solely that the assessor placed a valuation on the property that is excessive.*

#### *74.33(1)(a)*

*(a) A clerical error has been made in the description of the property or in the computation of the tax.*

#### *74.33(1)(b)*

*(b) The assessment included real property improvements which did not exist on the date under s. 70.10 for making the assessment.*

#### *74.33(1)(c)*

*(c) The property is exempt by law from taxation, except as provided under sub. (2).*



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1715/??  
MES. ....

9/ (FMA)

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

WANTED  
Thurs.

gjs

Gen Cat  
gjs

SPW

1 AN ACT ...; relating to: changing the interest rate that may be charged on special  
2 assessments and paid on claims for certain unlawfully assessed property taxes.

**Analysis by the Legislative Reference Bureau**

Under current law, a local governmental unit may allow a special assessment that is imposed to pay for public improvements to be paid in installments. A local governmental unit includes a city, village, town, county, and special purpose district that is allowed to levy a special assessment. If installments are allowed, the local governmental unit may impose interest on the unpaid balance of the special assessment. Current law does not prescribe a maximum rate of interest that may be charged. Under this bill the maximum interest rate that a local governmental unit may charge on installment payments is 3 percent plus the prime rate.

Also under current law, if a person is aggrieved by the levy and collection of an unlawful property tax assessed against his or her property, the person may file a claim against the taxation district to recover the unlawful tax. If the taxation district denies the claim, the person may file an action in circuit court. If the person filing the claim prevails with the taxation district or at the circuit court, the recovery on his or or her claim may include interest at the rate of 0.8 percent per month.

Under this bill the maximum interest rate that a person may receive on the recovery of an unlawfully assessed tax is the average annual discount rate determined by the last auction of 6-month U.S. treasury bills that is held before the annual installment is due or the claim for recovery is filed. This rate of interest is the same as the maximum amount of interest that an aggrieved person may collect on the recovery of an excessive assessment of property taxes imposed by a taxation district.

or the action for recovery is commenced

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:***

1           **SECTION 1.** 66.0715 (3) (b) of the statutes is amended to read:

2           66.0715 (3) (b) The first installment shall include a proportionate part of the  
3 principal of the special assessment, determined by the number of installments,  
4 together with interest on the whole assessment from a date, not before the date of  
5 the notice under par. (e), and to that date, not later than December 31, in the year  
6 in which the installment is to be collected as determined by the governing body. Each  
7 subsequent installment shall include the same proportion of the principal and one  
8 year's interest on the unpaid portion of the assessment. The maximum interest rate  
9 that may be charged under this paragraph is 3 percent plus the prime rate for the  
10 week prior to the date on which the first installment is due, *notice under par. (e) is published*  
11 as reported by the federal  
12 reserve board in federal reserve statistical release H. 15. The interest rate that is  
13 set under this paragraph may not change during the course of the installment  
payments for the special assessment.

History: 1999 a. 150 ss. 204, 205, 514, 537.

14           **SECTION 2.** 74.35 (4) of the statutes is amended to read:

15           74.35 (4) INTEREST. The amount of a claim filed under sub. (2) or an action  
16 commenced under sub. (3) may include interest computed from the date of filing the  
17 claim against the taxation district, ~~at the rate of 0.8% per month~~ a maximum interest  
18 rate that is equal to the average annual discount rate determined by the last auction  
19 of 6-month U.S. treasury bills that is held before the claim is filed under sub. (2) or  
20 the action is commenced under sub. (3).

History: 1987 a. 378; 1989 a. 104; 1991 a. 39; 1997 a. 237; 2007 a. 19.



**Shovers, Marc**

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**From:** Turke, Jon  
**Sent:** Thursday, March 14, 2013 2:21 PM  
**To:** Shovers, Marc  
**Subject:** RE: Interest Rate Legislation

Thanks so much for getting this to us quickly. I really appreciate it.

We have a couple additions to the bill that I hope aren't too much. Both related to Special Assessment B Bonds.

First: Change the wording of Sec 66.0715(3)(b) to:

(b) Installments of principal of a special assessment, shall become due in the years and in the amounts provided for in the special assessment resolution adopted by the governing body of the local governmental unit levying the special assessment. (The first installment shall include interest on the whole assessment from a date, not before the date of the notice under par. (e), and to that date, not later than December 31, in the year in which the installment is to be collected as determined by the governing body.) Each subsequent installment shall include one year's interest on the unpaid portion of the assessment.

The goal of this change is to make special assessment payments even throughout the life of it, like a mortgage, rather than the current model where payments are initially higher and go down over time.

Secondly, we would like to exempt an appropriation from the municipality into the reserve fund that replaced the draw down from the bond from the levy limits.

Amend Sec 66.0602(3)(e)5. Of the levy limit statute as follows:

5. The amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under s. 66.0621 or a Special Assessment B Bond issued under s. 66.0715.

Thanks again for your work on this. We really appreciate it!

**Jon Turke**  
Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418

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**From:** Shovers, Marc  
**Sent:** Wednesday, March 13, 2013 4:49 PM  
**To:** Turke, Jon  
**Subject:** RE: Interest Rate Legislation

Hi Jon:

I put a rush on this one . . . hopefully it will be out tomorrow. Thanks.

Marc

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**From:** Turke, Jon  
**Sent:** Monday, March 11, 2013 2:55 PM  
**To:** Shovers, Marc  
**Subject:** RE: Interest Rate Legislation

Ok thanks. If there's any way we could be a rush on it that would be great. Trying to get some bills for the April session.

**Jon Turke**

Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418

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**From:** Shovers, Marc  
**Sent:** Monday, March 11, 2013 2:51 PM  
**To:** Turke, Jon  
**Subject:** RE: Interest Rate Legislation

I'm hoping to get to it this week, subject to priority budget amendment requests. Thanks, Jon.

Marc

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**From:** Turke, Jon  
**Sent:** Monday, March 11, 2013 2:44 PM  
**To:** Shovers, Marc  
**Subject:** Interest Rate Legislation

Hey Marc-

Do you have a estimated date we may receive a draft on our interest rate bill?

Thanks!

**Jon Turke**

Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1715/1  
MES:cjs:rs

TODAY

stays

RMR

2013 BILL

SOON

P-NOTE

GenCat

Wagen

SA

1 AN ACT to amend 66.0715 (3) (b) and 74.35 (4) of the statutes; relating to:  
2 changing the interest rate that may be charged on special assessments and paid  
3 on claims for certain unlawfully assessed property taxes.

and creating an  
exception for levy  
limits local

**Analysis by the Legislative Reference Bureau**

Under current law, a local governmental unit may allow a special assessment that is imposed to pay for public improvements to be paid in installments. A local governmental unit includes a city, village, town, county, and special purpose district that is allowed to levy a special assessment. If installments are allowed, the local governmental unit may impose interest on the unpaid balance of the special assessment. Current law does not prescribe a maximum rate of interest that may be charged. Under this bill the maximum interest rate that a local governmental unit may charge on installment payments is 3 percent plus the prime rate.

Also under current law, if a person is aggrieved by the levy and collection of an unlawful property tax assessed against his or her property, the person may file a claim against the taxation district to recover the unlawful tax. If the taxation district denies the claim, the person may file an action in circuit court. If the person filing the claim prevails with the taxation district or at the circuit court, the recovery on his or her claim may include interest at the rate of 0.8 percent per month.

Under this bill the maximum interest rate that a person may receive on the recovery of an unlawfully assessed tax is the average annual discount rate determined by the last auction of 6-month U.S. treasury bills that is held before the claim for recovery is filed or the action for recovery is commenced. This rate of

NOT

**BILL**  
Also under current law, the amount of installment payments declines overtime as ~~principal~~ payments decrease. Under the bill, all payments are equal amounts. interest interest is the same as the maximum amount of interest that an aggrieved person may collect on the recovery of an excessive assessment of property taxes imposed by a taxation district. **INSANU**

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

INS  
2-1

~~The notice under par. (e) shall be published in the year and in the amounts provided for in the special assessment notice mandated by the governing body of the local governmental unit issuing the special assessment.~~

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

~~Installments of principal of a special assessment shall be made in the years and in the amounts provided for in the special assessment notice mandated by the governing body of the local governmental unit issuing the special assessment.~~

SECTION 1. 66.0715 (3) (b) of the statutes is amended to read:

66.0715 (3) (b) <sup>Each</sup> ~~The first~~ installment <sup>payment</sup> shall include a proportionate part of the principal of the special assessment, determined by the number of installments, together with <sup>proportion of the</sup> interest on the whole assessment <sup>calculated</sup> from a date, not before the date of the notice under par. (e), and to that date, not later than December 31, in the year in which the <sup>final</sup> installment is to be collected as determined by the governing body. <sup>all such that each of the</sup> Each <sup>installments</sup> subsequent installment shall include the same proportion of the principal and one year's interest on the unpaid portion of the assessment. <sup>payments are equal amount.</sup> The maximum interest rate that may be charged under this paragraph is 3 percent plus the prime rate for the week prior to the date on which the notice under par. (e) is published, as reported by the federal reserve board in federal reserve statistical release H. 15. The interest rate that is set under this paragraph may not change during the course of the installment payments for the special assessment.

SECTION 2. 74.35 (4) of the statutes is amended to read:

74.35 (4) INTEREST. The amount of a claim filed under sub. (2) or an action commenced under sub. (3) may include interest computed from the date of filing the claim against the taxation district, at the rate of 0.8% per month a maximum interest rate that is equal to the average annual discount rate determined by the last auction

INS  
2-3

**BILL**

1 of 6-month U.S. treasury bills that is held before the claim is filed under sub. (2) or  
2 the action is commenced under sub. (3).

3 **SECTION 3. Initial applicability.**

4 (1) ~~Whenever~~ first applies to a special assessment that is imposed, a claim that  
5 is filed, or an action that is commenced on the effective date of this subsection.

*The treatment of sections 66.0715(3)(b) and 74.35(4) of the statutes*

6 (4) (#) The treatment of ~~section~~ ~~(3)(d)~~ section 66.0602 (3)(d) 6. of the  
statutes first applies to the levy that is  
imposed in December 2013.

(END)

d-note

2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-1715/2ins  
MES:cjs:rs

INS ANL e zero

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 0 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.

Under one of the current law exceptions, the limit that would otherwise apply does not apply to the amount that a political subdivision levies to make up any revenue shortfall for the debt service on a revenue bond issued by the political subdivision.

Under this bill, a similar exception is created for the amount that a political subdivision levies to make up any revenue shortfall for the debt service on a special assessment B bond issued to fund a public improvement.

INS 2-1

SECTION 1. 66.0602 (3) (d) 6. of the statutes is created to read: *limit to otherwise applicable under this section does not apply to the*  
66.0602 (3) (d) 6. The amount that a political subdivision levies in that year to

make up any revenue shortfall for the debt service on a special assessment B bond issued under s. 66.0713 (4).

Drafter's Note

Rep. Steineke:

Your instructions stated that the exception in s. 66.0602 (3) (e) 5. should be for "a special assessment B bond issued under s. 66.0715." I created subd. 6., as it seemed to be cleaner, and I believe the B bonds are actually issued under s. 66.0713 (4). Please let me know if this version of the draft does not meet your intent.

(H) Also, the initial applicability provision for the levy limit change may need to be moved up by one year if this bill is not enacted by the early fall of 2013.

MES

LRB-1715/2dn  
MES:cjs:

par. (d)

LPS:  
"Please convert" this material into a proper d-note

2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-1715/2ins  
MES:cjs:rs

INS 2-13

SECTION 1. 66.0715 (3) (b) of the statutes is amended to read:

66.0715 (3) (b) ~~The first installment~~ shall include a proportionate part of the principal of the special assessment, determined by the number of installments, together with interest on the whole assessment from a date, not before the date of the notice under par. (e), and to that date, not later than December 31, in the year in which the installment is to be collected as determined by the governing body. ~~Each~~ subsequent installment shall include the same proportion of the principal and one year's interest on the unpaid portion of the assessment. ~~Installments of principal of a special assessment shall become due and payable in the years and in the amounts provided for in the notice under par. (e). Each installment payment shall reflect the same proportion of principal of the special assessment, determined by the number of installments, and interest shall be calculated such that annual interest payments are imposed on any amount of unpaid principal, but the governing body shall ensure that the billing for all installment payments are equal amounts. The maximum interest rate that may be charged under this paragraph is 3 percent plus the prime rate for the week prior to the date on which the notice under par. (e) is published, as reported by the federal reserve board in federal reserve statistical release H. 15. The interest rate that is set under this paragraph may not change during the course of the installment payments for the special assessment.~~

Each

NO  
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delete the ~~period~~

Installments of principal of

a special assessment shall become due and payable in the years and in the amounts provided for in the notice under par. (e). Each installment payment shall reflect the

same proportion of principal of the special assessment, determined by the number of installments, and interest shall be calculated such that annual interest payments

are imposed on any amount of unpaid principal, but the governing body shall ensure that the billing for all installment payments are equal amounts. The maximum

interest rate that may be charged under this paragraph is 3 percent plus the prime rate for the week prior to the date on which the notice under par. (e) is published, as

reported by the federal reserve board in federal reserve statistical release H. 15. The interest rate that is set under this paragraph may not change during the course of

the installment payments for the special assessment.

NO STRIKE

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

LRB-1715/2dn  
MES:cjs:rs

March 28, 2013

Rep. Steineke:

Your instructions state that the exception in s. 66.0602 (3) (e) 5. should be for "a special assessment B bond issued under s. 66.0715." I created par. (d) 6., as it seemed to be cleaner, and I believe the B bonds are actually issued under s. 66.0713 (4). Please let me know if this version of the draft does not meet your intent.

Also, the initial applicability provision for the levy limit change may need to be moved up by one year if this bill is not enacted by the early fall of 2013.

Marc E. Shovers  
Managing Attorney  
Phone: (608) 266-0129  
E-mail: [marc.shovers@legis.wisconsin.gov](mailto:marc.shovers@legis.wisconsin.gov)

**Shovers, Marc**

---

**From:** Turke, Jon  
**Sent:** Tuesday, April 02, 2013 10:56 AM  
**To:** Shovers, Marc  
**Subject:** Hopefully the last change...

Hi Marc-

To LRB-1715, in Section 2, line 17 – strike the word “maximum.”

Thanks!

**Jon Turke**

Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418



Stays

RMR

# 2013 BILL

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1 AN ACT to amend 66.0715 (3) (b) and 74.35 (4); and to create 66.0602 (3) (d) 6.  
 2 of the statutes; relating to: changing the interest rate that may be charged on  
 3 special assessments and paid on claims for certain unlawfully assessed  
 4 property taxes and creating an exception for local levy limits.

### *Analysis by the Legislative Reference Bureau*

Under current law, a local governmental unit may allow a special assessment that is imposed to pay for public improvements to be paid in installments. A local governmental unit includes a city, village, town, county, and special purpose district that is allowed to levy a special assessment. If installments are allowed, the local governmental unit may impose interest on the unpaid balance of the special assessment. Current law does not prescribe a maximum rate of interest that may be charged. Under this bill the maximum interest rate that a local governmental unit may charge on installment payments is 3 percent plus the prime rate. <sup>(409)</sup>

Also under current law, if a person is aggrieved by the levy and collection of an unlawful property tax assessed against his or her property, the person may file a claim against the taxation district to recover the unlawful tax. If the taxation district denies the claim, the person may file an action in circuit court. If the person filing the claim prevails with the taxation district or at the circuit court, the recovery on his or her claim may include interest at the rate of 0.8 percent per month.

Under this bill the ~~maximum~~ interest rate that a person may receive on the recovery of an unlawfully assessed tax is the average annual discount rate determined by the last auction of 6-month U.S. treasury bills that is held before the

2

**BILL**

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page 1

claim for recovery is filed or the action for recovery is commenced. This rate of interest is the same as the maximum amount of interest that an aggrieved person may collect on the recovery of an excessive assessment of property taxes imposed by a taxation district. Also under current law, the amount of installment payments declines over time as interest payments decrease. Under the bill, all payments are equal amounts.

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.

Under one of the current law exceptions, the limit that would otherwise apply does not apply to the amount that a political subdivision levies to make up any revenue shortfall for the debt service on a revenue bond issued by the political subdivision.

Under this bill, a similar exception is created for the amount that a political subdivision levies to make up any revenue shortfall for the debt service on a special assessment B bond issued to fund a public improvement.

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:*

1           SECTION 1. 66.0602 (3) (d) 6. of the statutes is created to read: ✓

2           66.0602 (3) (d) 6. The limit otherwise applicable under this section does not  
3 apply to the amount that a political subdivision levies to make up any revenue  
4 shortfall for the debt service on a special assessment B bond issued under s. 66.0713  
5 (4).

6           SECTION 2. 66.0715 (3) (b) of the statutes is amended to read: ✓

7           66.0715 (3) (b) ~~The first Each~~ installment shall include a proportionate part  
8 of the principal of the special assessment, determined by the number of installments,  
9 together with interest on the whole assessment from a date, not before the date of  
10 the notice under par. (e), and to that date, not later than December 31, in the year

**BILL**

1 ~~in which the installment is to be collected as determined by the governing body. Each~~  
2 ~~subsequent installment shall include the same proportion of the principal and one~~  
3 ~~year's interest on the unpaid portion of the assessment payment shall reflect the~~  
4 ~~same proportion of principal of the special assessment, determined by the number~~  
5 ~~of installments, and interest shall be calculated such that annual interest payments~~  
6 ~~are imposed on any amount of unpaid principal, but the governing body shall ensure~~  
7 ~~that the billings for all installment payments are equal amounts. The maximum~~  
8 ~~interest rate that may be charged under this paragraph is 3 percent plus the prime~~  
9 ~~rate for the week prior to the date on which the notice under par. (e) is published, as~~  
10 ~~reported by the federal reserve board in federal reserve statistical release H. 15. The~~  
11 ~~interest rate that is set under this paragraph may not change during the course of~~  
12 ~~the installment payments for the special assessment.~~

13 **SECTION 3.** 74.35 (4) of the statutes is amended to read:

14 74.35 (4) INTEREST. The amount of a claim filed under sub. (2) or an action  
15 commenced under sub. (3) may include interest computed from the date of filing the  
16 claim against the taxation district, at the rate of 0.8% per month ~~maximum~~<sup>2</sup> ~~an~~ interest  
17 rate that is equal to the average annual discount rate determined by the last auction  
18 of 6-month U.S. treasury bills that is held before the claim is filed under sub. (2) or  
19 the action is commenced under sub. (3).

20 **SECTION 4. Initial applicability.**

21 (1) The treatment of sections 66.0715 (3) (b) and 74.35 (4) of the statutes first  
22 applies to a special assessment that is imposed, a claim that is filed, or an action that  
23 is commenced on the effective date of this subsection.



**Shovers, Marc**

---

**From:** Turke, Jon  
**Sent:** Thursday, October 10, 2013 10:28 AM  
**To:** Shovers, Marc  
**Subject:** FW: Special Assessment Bill  
**Attachments:** Language Recommendation on Draft Bill.docx

Hey Marc-

Please see below.

Thanks!

**Jon Turke**

Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418

---

**From:** Larson, Tom [<mailto:tlarson@wra.org>]  
**Sent:** Thursday, October 10, 2013 10:28 AM  
**To:** Turke, Jon; [witynski@lwm-info.org](mailto:witynski@lwm-info.org)  
**Subject:** RE: Special Assessment Bill

Thanks, John. We only want the first option. The other options are unnecessary because the first option was acceptable to Jim. Here are the revised memo.

Tom

\*\*\*\*\*

*Thomas D. Larson - Vice President of Legal and Public Affairs*

Wisconsin REALTORS Association  
4801 Forest Run Road Suite 201  
Madison, WI 53704-7337  
Phone 608-240-8254  
Cell 608-212-0066

Fax 608-241-2901

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**From:** Turke, Jon [<mailto:Jon.Turke@legis.wisconsin.gov>]  
**Sent:** Thursday, October 10, 2013 10:07 AM

**To:** Larson, Tom; [witynski@lwm-info.org](mailto:witynski@lwm-info.org)  
**Subject:** FW: Special Assessment Bill

Hey guys-

I'm glad I checked in with the drafter. Please see the question below and let me know what you think.

Thanks!

**Jon Turke**

Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418

---

**From:** Shovers, Marc  
**Sent:** Thursday, October 10, 2013 10:05 AM  
**To:** Turke, Jon  
**Subject:** RE: Special Assessment Bill

Hi Jon:

This change was on my schedule for this week (and it still is), but I kind of got caught up in a lot of drafting involving the Town of Somers TID (SB 338).

I have one question about the redraft instructions. The suggested language you included in the attachment seems to want to completely replace the current changes to s. 66.0715 (3) (b), which is fine, but the suggested language says, in effect, "Here's our first idea. If you don't like that, add in this additional language. And if you don't like that, add in this extra language too."

My question is, is your intent to use only the "first" suggested change, or either or both of the suggested additions if you don't like the first change?

Thanks,

Marc

---

**From:** Turke, Jon  
**Sent:** Thursday, October 10, 2013 9:39 AM  
**To:** Shovers, Marc  
**Subject:** Special Assessment Bill

Hey Marc-

A while ago I sent you updates to LRB-1715/3. I'm just wondering where we are with that.

Thanks!

**Jon Turke**

Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418

"New" instructions

66.0715 (3)(b) Installment payments of principal and interest shall be as structured by the local governing board. The interest rate shall be as set by the local governing board plus an administrative fee of up to 2%. The interest rate that is set under this paragraph may not be changed during the course of the installment payments for the special assessment.

**Comment [MH1]:** This is recommended to allow for communities to have the option to continue with the current system of level principal payments if they wish (Some may not wish to change their systems) It also allows for the deferral of principal for the first year or two to allow for project completion and for the collection of the assessment for payment on the B bond.

**Comment [MH2]:** It is important that this be determined on a case by case basis by the local board and not be set by some indexed formula because in order to sell B bonds it is essential to coordinate the assessment payments with the payment of the bonds so the interest rates charged on the B Bonds will establish what the rates need to be on the special assessments.

"old" instructions

66.0715 (3)(b) Installment payments of principal and interest shall be as structured by the local governing board. The interest rate shall be as set by the local governing board plus an administrative fee of up to 2%. The interest rate that is set under this paragraph may not be changed during the course of the installment payments for the special assessment.

**Comment [MH1]:** This is recommended to allow for communities to have the option to continue with the current system of level principal payments if they wish (Some may not wish to change their systems). It also allows for the deferral of principal for the first year or two to allow for project completion and for the collection of the assessment for payment on the B bond.

If there is any concern about not limiting the interest rate we would recommend adding the following between the words "board" and "plus" in the second sentence.

**Comment [MH2]:** It is important that this be determined on a case by case basis by the local board and not be set by some indexed formula because in order to sell B bonds it is essential to coordinate the assessment payments with the payment of the bonds so the interest rates charged on the B Bonds will establish what the rates need to be on the special assessments.

"and shall generally not exceed the greater of either the municipality's current cost of borrowing as evidenced by the debt issued to finance the special assessments or the 20 year interest rate offered by the Board of Commissioners of Public Lands plus...."

If there is any concern about not limiting the options for debt structuring, s an alternative to the flexibility afforded by Structure in the first sentence above, the following could be workable:

"Installment payments shall provide for either:

- a.) Level Principal
- b.) Level Payment
- c.) Principal deferral for up to 3 years with either level payment or level principal thereafter."

**Shovers, Marc**

---

**From:** Turke, Jon  
**Sent:** Tuesday, September 17, 2013 10:02 AM  
**To:** Shovers, Marc  
**Subject:** FW: [GRAYMAIL] RE: Special Assessment B Bond RE: Drafts?  
**Attachments:** 20130418095117354.pdf; Language Recommendation on Draft Bill.docx

Hey Marc-

Can't remember if I sent you this but could you incorporate these changes into the draft?

Thanks!

**Jon Turke**

Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418

---

**From:** Larson, Tom [mailto:tlarson@wra.org]  
**Sent:** Wednesday, August 14, 2013 9:34 AM  
**To:** Turke, Jon  
**Cc:** witynski@lwm-info.org  
**Subject:** FW: [GRAYMAIL] RE: Special Assessment B Bond RE: Drafts?

Hi Jon.

Here are the comments and suggested changes we received on the proposed B-Bonds/Special Assessment legislation. Curt Witynski and I would be happy to come into the office and talk to you and/or Jim about these recommendations in greater detail. We are available on August 27, 28 or 29<sup>th</sup>, if these dates work for you.

Please let us know how you would like to proceed. Thank you.

Tom

\*\*\*\*\*

*Thomas D. Larson - Vice President of Legal and Public Affairs*

Wisconsin REALTORS Association  
4801 Forest Run Road Suite 201  
Madison, WI 53704-7337  
Phone 608-240-8254  
Cell 608-212-0066

Fax 608-241-2901

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**From:** Mike Harrigan [mailto:MHarrigan@ehlers-inc.com]  
**Sent:** Tuesday, August 13, 2013 4:30 PM  
**To:** Curt Witynski; Larson, Tom  
**Cc:** Todd Taves  
**Subject:** [GRAYMAIL] RE: Special Assessment B Bond RE: Drafts?

Curt & Tom,

The problem we had with the attached pdf Bill draft was twofold,

- 1.) The draft calls for a single method of calculating the annual installment payment which apparently was intended to yield a level total payment structure. It is important that this be left to the discretion of the local governing body. Generally going forward they will probably opt for a level annual payment option (like a mortgage) but they need to have the discretion to defer principal for at least the first couple of years or until the revenues start flowing from the actual assessment collections which could be even longer than 2 years. Also—the way this was written, even if it were trying to achieve a level payment, I don't think it does that.

Finally there are some communities that may not want to change their method from the existing one which requires level principal (don't want to deal with changing their accounting system or whatever) . Going with a mandatory level P & I structure would force them to change, and therefor potentially result in some opposition. By keeping it at the discretion of the local board this would not be a problem.

- 2.) The interest rate should be left to the discretion of the local governing body as it will need to coordinate the interest rate they charge on special assessments with the rate that they will get on the sale of the Special Assessment B Bonds so that the payments can be equal or greater than the B bond payments. This is essential to the security and thus the marketability of the bonds. It is also not unusual to add a percent or two to the local rate to cover annual administrative costs of the program. 2% is usually the max that I have seen charged over the municipalities cost of money.

Please see the attached word draft of the way we would recommend Sec. 66.0715 (3 (b) should read. (Section 2 of the Bill Draft)

We like the provision set forth in Section 1 of the Bill Draft which provides for the exception for levy limits to make up for revenue shortfalls on B Bonds.

Glad to discuss further.

Mike

Michael C. Harrigan  
Chairman / Sr. Financial Advisor  
Ehlers & Associates, Inc.

262-796-6165 (Direct)

[www.ehlers-inc.com](http://www.ehlers-inc.com)



Read Ehlers' bi-weekly market commentary and summary of regional bond sales at <http://www.ehlers-inc.com/resources/ehlers-commentary/>.

---

**From:** Curt Witynski [<mailto:witynski@lwm-info.org>]  
**Sent:** Tuesday, August 13, 2013 1:10 PM  
**To:** Mike Harrigan; Larson, Tom  
**Subject:** RE: Special Assessment B Bond RE: Drafts?

Mike: Did you have a chance to come up with any language we can present to Rep. Steineke? Tom Larson and I want to reconnect with him on this issue. Thanks.

\*\*\*\*\*  
Curt Witynski  
Assistant Director  
League of Wisconsin Municipalities  
122 West Washington Ave.  
Madison, WI 53703

(608) 267-2380

---

**From:** Mike Harrigan [<mailto:MHarrigan@ehlers-inc.com>]  
**Sent:** Monday, June 17, 2013 8:12 AM  
**To:** Larson, Tom; Curt Witynski  
**Cc:** Todd Taves; 'Brian Lanser'  
**Subject:** Special Assessment B Bond RE: Drafts?

Thanks guys, we will spend some time Monday on language that would address concerns that we articulated below. Let me know if Mr. Turk has any specific thoughts or questions. – and have a good weekend !

Mike

Michael C. Harrigan  
Chairman / Sr. Financial Advisor  
Ehlers & Associates, Inc.

262-796-6165 (Direct)

[www.ehlers-inc.com](http://www.ehlers-inc.com)



Read Ehlers' bi-weekly market commentary and summary of regional bond sales at <http://www.ehlers-inc.com/resources/ehlers-commentary/>.

---

**From:** Larson, Tom [<mailto:tlarson@wra.org>]  
**Sent:** Friday, June 14, 2013 2:28 PM  
**To:** Curt Witynski; Mike Harrigan  
**Subject:** RE: Drafts?

Mike,

If possible, please give us specific language to give municipalities the flexibility they need. This will help the drafter better understand what we are looking to do.

Thanks.

Tom

\*\*\*\*\*

*Thomas D. Larson - Vice President of Legal and Public Affairs*

Wisconsin REALTORS Association

4801 Forest Run Road Suite 201

Madison, WI 53704-7337

Phone 608-240-8254

Cell 608-212-0066

Fax 608-241-2901

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**From:** Curt Witynski [<mailto:witynski@lwm-info.org>]  
**Sent:** Friday, June 14, 2013 2:21 PM  
**To:** [mharrigan@ehlers-inc.com](mailto:mharrigan@ehlers-inc.com)  
**Cc:** Larson, Tom  
**Subject:** FW: Drafts?

Hi Mike: I'm forwarding to you the last correspondence I had with Rep. Steineke about the Special Assessment B Bond Bill. As you can see, I forwarded to them your concerns about the bill draft. I haven't heard anything back since. I'll talk to Jon Turk on Monday to see what he needs to move forward.

\*\*\*\*\*

Curt Witynski  
Assistant Director  
League of Wisconsin Municipalities  
122 West Washington Ave.  
Madison, WI 53703

(608) 267-2380

---

**From:** Curt Witynski  
**Sent:** Monday, April 22, 2013 2:42 PM  
**To:** Turke, Jon ([Jon.Turke@legis.wisconsin.gov](mailto:Jon.Turke@legis.wisconsin.gov))  
**Subject:** FW: Drafts?

Jon: I'm sending you several things. First, see the comments below from Ehlers, a municipal finance consulting firm. The comments relate to the latest bill draft on special assessments.

Second, regarding the statutory deadline issue, I've attached a memo listing the statutory deadlines we'd like to see moved back. I've also attached a draft bill that Sen. Lazich is working on at the request of the City of Franklin that moves the deadline for receiving the school levy tax credit information two weeks back.

Another deadline I've heard about from communities is the deadline for DOR providing the value of manufacturing property to municipalities.

Thanks for working with us on this stuff.

\*\*\*\*\*

Curt Witynski  
Assistant Director  
League of Wisconsin Municipalities  
122 West Washington Ave.  
Madison, WI 53703

(608) 267-2380

---

**From:** Mike Harrigan [<mailto:MHarrigan@ehlers-inc.com>]  
**Sent:** Friday, April 19, 2013 5:03 PM  
**To:** Curt Witynski  
**Cc:** Todd Taves  
**Subject:** RE: Drafts?

Curt,

Sorry to get back to you so late today. Todd Taves and I have looked this over as well as Brian Lanser at Quarles--- here are our initial thoughts.

First—this bill as is a good start but there are some concerns:

As proposed, We don't understand how the formula is supposed to work. The legislation says that each installment shall "reflect the same proportion of principal of the special assessment, determined by the number of years" and also that each of the installments shall be an equal amount. That doesn't seem mathematically possible. If the intent is equal annual payments, it seems that the intent of the mechanism should provide for a mortgage-type payment schedule, with lower principal at the beginning.

We were also advocating for the ability to defer principal on the early end. Level principal would now not be an option either...every local government in WI will have to revise their special assessment ordinance and practices if this passes. Since B Bonds are in limited use, some may not be happy about this change and see this as just a administrative nuisance to deal with.

We really see the need for flexibility in how principal repayments are structured so that it can be done with level principal, level payments and ability to defer on the front end. This should be permissive.

We also think it would be better not to have a maximum interest rate for the assessments - that is best left to the municipality to determine, to make sure that (at least in the case of B Bonds), the interest rate can be coordinated with the interest rate on the Bonds.

The levy limit exception is good...that would give us utility revenue bonds under the existing law, and the B Bonds with this. We wonder if this wouldn't also be an opportunity to get a levy limit exception written in for annual appropriations made on CDA LRBs? It would seem that all the bases would be covered then.

If it would be helpful we could suggest some specific language changes.

Have a great weekend.

Mike

---

**From:** Curt Witynski [<mailto:witynski@lwm-info.org>]  
**Sent:** Thursday, April 18, 2013 4:07 PM  
**To:** Mike Harrigan  
**Subject:** FW: Drafts?

Mike: Would you be willing to take a look at the attached bill draft from Rep. Steineke. It includes the change you recommended regarding the treatment of special assessment installments and creates the levy limit exception you recommended. Thanks.

\*\*\*\*\*

Curt Witynski  
Assistant Director  
League of Wisconsin Municipalities  
122 West Washington Ave.  
Madison, WI 53703

(608) 267-2380

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**From:** Turke, Jon [<mailto:Jon.Turke@legis.wisconsin.gov>]  
**Sent:** Thursday, April 18, 2013 9:38 AM  
**To:** Curt Witynski  
**Subject:** RE: Drafts?

Hey Curt-

Attached is the most recent bill draft.

As far as the reporting dates, we have a meeting set up with DOA next week to figure out their stance on it and what is actually feasible. I imagine we'll have to force them along a little bit.

**Jon Turke**

Office of Rep. Jim Steineke  
Assistant Majority Leader  
608-266-2418

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**From:** Curt Witynski [<mailto:witynski@lwm-info.org>]  
**Sent:** Wednesday, April 17, 2013 10:14 AM  
**To:** Turke, Jon  
**Subject:** Drafts?

Hey Jon: Do you have any drafts back from the drafter that you could share with me on the interest rate issue relating to property tax refunds and special assessments? What's the status of that bill? Also, any developments on the bill we seek requiring state agencies to provide key financial information to municipalities earlier in the year? Thanks.

\*\*\*\*\*

Curt Witynski  
Assistant Director  
League of Wisconsin Municipalities

122 West Washington Ave.  
Madison, WI 53703

(608) 267-2380



slays (FMR)

2013 BILL

WANTED!  
Friday

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1 AN ACT to amend 66.0715 (3) (b) and 74.35 (4); and to create 66.0602 (3) (d) 6.  
2 of the statutes; relating to: changing the interest ~~rate~~ <sup>method for charging</sup> that may be charged on  
3 special assessments and <sup>changing the interest rate</sup> paid on claims for certain unlawfully assessed  
4 property taxes and creating an exception for local levy limits.

Analysis by the Legislative Reference Bureau

Under current law, a local governmental unit may allow a special assessment that is imposed to pay for public improvements to be paid in installments. A local governmental unit includes a city, village, town, county, and special purpose district that is allowed to levy a special assessment. If installments are allowed, the local governmental unit may impose interest on the unpaid balance of the special assessment. Current law does not prescribe a maximum rate of interest that may be charged. Under this bill, ~~the maximum interest rate that a local governmental unit may charge on installment payments is 3 percent plus the prime rate. Also under current law, the amount of installment payments declines over time as interest payments decrease. Under the bill, all payments are equal amounts.~~

Also under current law, if a person is aggrieved by the levy and collection of an unlawful property tax assessed against his or her property, the person may file a claim against the taxation district to recover the unlawful tax. If the taxation district denies the claim, the person may file an action in circuit court. If the person filing the claim prevails with the taxation district or at the circuit court, the recovery on his or or her claim may include interest at the rate of 0.8 percent per month.

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**BILL**

Under this bill the interest rate that a person may receive on the recovery of an unlawfully assessed tax is the average annual discount rate determined by the last auction of 6-month U.S. treasury bills that is held before the claim for recovery is filed or the action for recovery is commenced. This rate of interest is the same as the maximum amount of interest that an aggrieved person may collect on the recovery of an excessive assessment of property taxes imposed by a taxation district.

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.

Under one of the current law exceptions, the limit that would otherwise apply does not apply to the amount that a political subdivision levies to make up any revenue shortfall for the debt service on a revenue bond issued by the political subdivision.

Under this bill, a similar exception is created for the amount that a political subdivision levies to make up any revenue shortfall for the debt service on a special assessment B bond issued to fund a public improvement.

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:*



1 SECTION 1. 66.0602 (3) (d) 6. of the statutes is created to read:

2 66.0602 (3) (d) 6. The limit otherwise applicable under this section does not  
3 apply to the amount that a political subdivision levies to make up any revenue  
4 shortfall for the debt service on a special assessment B bond issued under s. 66.0713

5 (4).

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6 SECTION 2. 66.0715 (3) (b) of the statutes is amended to read:

7 66.0715 (3) (b) ~~The first Each installment shall include a proportionate part~~  
8 ~~of the principal of the special assessment, determined by the number of installments,~~  
9 ~~together with interest on the whole assessment from a date, not before the date of~~  
10 ~~the notice under par. (e), and to that date, not later than December 31, in the year~~

**BILL**

1 ~~in which the installment is to be collected as determined by the governing body. Each~~  
2 ~~subsequent installment shall include the same proportion of the principal and one~~  
3 ~~year's interest on the unpaid portion of the assessment payment shall reflect the~~  
4 ~~same proportion of principal of the special assessment, determined by the number~~  
5 ~~of installments, and interest shall be calculated such that annual interest payments~~  
6 ~~are imposed on any amount of unpaid principal, but the governing body shall ensure~~  
7 ~~that the billings for all installment payments are equal amounts. The maximum~~  
8 ~~interest rate that may be charged under this paragraph is 3 percent plus the prime~~  
9 ~~rate for the week prior to the date on which the notice under par. (e) is published, as~~  
10 ~~reported by the federal reserve board in federal reserve statistical release H. 15. The~~  
11 ~~interest rate that is set under this paragraph may not change during the course of~~  
12 ~~the installment payments for the special assessment.~~

13 **SECTION 3.** 74.35 (4) of the statutes is amended to read:

14 74.35 (4) INTEREST. The amount of a claim filed under sub. (2) or an action  
15 commenced under sub. (3) may include interest computed from the date of filing the  
16 claim against the taxation district, at the rate of ~~0.8% per month~~ an interest rate that  
17 is equal to the average annual discount rate determined by the last auction of  
18 6-month U.S. treasury bills that is held before the claim is filed under sub. (2) or the  
19 action is commenced under sub. (3).

20 **SECTION 4. Initial applicability.**

21 (1) The treatment of sections 66.0715 (3) (b) and 74.35 (4) of the statutes first  
22 applies to a special assessment that is imposed, a claim that is filed, or an action that  
23 is commenced on the effective date of this subsection.



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, installment payments are structured by the local governmental unit's governing body. Also under the bill, the interest rate is set by the governing body, and may include an administrative fee of up to 2 percent. Once the interest rate is set, the bill prohibits the rate from being changed during the course of the installment payments.

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of

**SECTION 1.** 66.0715 (3) (b) of the statutes is amended to read:

66.0715 (3) (b) ~~The first installment shall include a proportionate part of the~~  
Installment payments of principal of the special assessment, determined by the  
number of installments, together with and interest on the whole assessment from a  
date, not before the date of the notice under par. (e), and to that date, not later than  
December 31, in the year in which the installment is to be collected as determined  
shall be structured by the governing body. Each subsequent installment shall  
include the same proportion of the principal and one year's interest on the unpaid  
portion of the assessment The interest rate shall be set by the governing body, and  
may include an administrative fee of not more than 2 percent. The interest rate set  
under this paragraph may not be changed during the course of the installment  
payments for a particular special assessment.

**Parisi, Lori**

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**From:** Turke, Jon  
**Sent:** Thursday, October 10, 2013 3:28 PM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB -1715/4 Topic: Cap the interest rate a local government may impose on special assessments

Please Jacket LRB -1715/4 for the ASSEMBLY.