



2003 ASSEMBLY BILL 414

June 23, 2003 – Introduced by Representatives GARD and KAUFERT, cosponsored by Senators PANZER and DARLING.

1 **AN ACT** *to repeal and recreate* 66.0602 (5); and *to create* 66.0602 (3) (f) and
2 66.0602 (3) (g) of the statutes; **relating to:** changes to levy limits related to
3 towns, certain cities or villages, and 1st class cities.

Analysis by the Legislative Reference Bureau

The 2003–05 state budget bill as passed by the state senate on June 19, 2003, and by the state assembly on June 20, 2003, creates local levy limits that apply to cities, villages, towns, counties (political subdivisions), and technical college districts. The budget bill prohibits political subdivisions from increasing their levy by a percentage that exceeds the percentage change in the political subdivision's equalized value due to new construction, less improvements removed. With regard to technical college districts, the levy limit is the levy for the previous year multiplied by 1.026. Under the budget bill, the levy limits do not apply beginning three years after the effective date of the budget bill.

An exception to the levy limits allows towns with a population of less than 2,000 to exceed the limit otherwise applicable if the annual town meeting adopts a resolution to that effect. Under this bill, such a town may exceed the limit otherwise applicable if a special or an annual town meeting adopts a resolution to that effect.

This bill also allows a city or village which has been providing services for a fee to property located in a town for at least ten years, and which annexes territory from that town, to increase the limit otherwise applicable in the current year by an amount equal to the city's or village's mill rate applied to the current assessed value of the annexed territory. The limit otherwise applicable to the town from which the

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territory was annexed is reduced by an amount equal to the town's mill rate multiplied by the assessed value of the annexed territory as of the last year that the territory was subject to town taxation.

Also under this bill, the limit otherwise applicable does not apply to the amount that a 1st class city (presently only Milwaukee) levies for school purposes. Currently, a 1st class city school district is not authorized to levy a tax; the city in which the school district is located levies a tax for school purposes at the direction of the school board.

This bill is void if the budget bill becomes law without the provision establishing levy limit.

For further information see the *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) (f) of the statutes is created to read:

2 66.0602 (3) (f) If a city or village, which has been providing services for a fee
3 to property located in a town for at least 10 years, annexes territory from that town,
4 the city's or village's levy increase limit otherwise applicable under this section is
5 increased in the current year by an amount equal to the city's or village's mill rate
6 applied to the current assessed value of the annexed territory, and the levy increase
7 limit otherwise applicable under this section in the current year for the town from
8 which the territory is annexed is decreased by the town's mill rate applied to the
9 assessed value of the annexed territory as of the last year that the territory was
10 subject to taxation by the town, as determined by the department of revenue.

11 **SECTION 2.** 66.0602 (3) (g) of the statutes is created to read:

12 66.0602 (3) (g) The limit otherwise applicable under this section does not apply
13 to the amount that a 1st class city levies for school purposes.

14 **SECTION 3.** 66.0602 (5) of the statutes, as created by 2003 Wisconsin Act
15 (Senate Bill 44) is repealed and recreated to read:

