



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-3019/1  
EVM:med:rs

## 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.

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### *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

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would have been levied if not for the error in valuation. The actual levy limit increase amounts are determined by the Department of Revenue.

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

1           **SECTION 1.** 66.0602 (3) (k) of the statutes is created to read:

2           66.0602 (3) (k) 1. Subject to subds. 2. and 3., if the village of Shorewood reduces  
3 its levy from the amount it would have levied for 2011 if not for an error in the  
4 valuation of Tax Incremental District Number 1 in the village, to compensate for that  
5 error, the limit otherwise applicable under this section to the village in 2012 is  
6 increased by the amount of the reduction, as determined by the department of  
7 revenue. The amounts added to the village's limit for 2012 under this subdivision  
8 may not exceed the amount by which the village underutilized its limit for 2011, as  
9 determined by the department of revenue.

10           2. If the village of Shorewood applies funds from the village's general fund in  
11 2011 to replace amounts not levied to compensate for an error in the valuation of Tax  
12 Incremental District Number 1 in the village, the limits otherwise applicable under  
13 this section to the village in 2012 and 2013 are increased by the amount applied from  
14 the general fund in 2011, as determined by the department of revenue. The village's  
15 limit increases under this subdivision for 2012 and 2013 do not increase the village's  
16 limit for any subsequent year.

17           3. The combined amount of increased levy in 2012 and 2013 by the village of  
18 Shorewood under subd. 2. may not exceed the amount of the funds applied from the  
19 general fund to replace amounts not levied in 2011 to compensate for an error in the  
20 valuation of Tax Incremental District Number 1 in the village.

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(END)