

## 2001 ASSEMBLY JOINT RESOLUTION 10

January 16, 2001 – Introduced by Representatives PETTIS, McCORMICK, FREESE, D. MEYER, REYNOLDS, RYBA, LADWIG, KREIBICH and F. LASEE. Referred to Committee on Tax and Spending Limitations.

1       ***To renumber and amend*** section 1 of article VIII; and ***to create*** section 1 (2) and  
2           (3) of article VIII of the constitution; **relating to:** limiting the annual  
3           percentage increase in property taxes assessed on real property (first  
4           consideration).

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### ***Analysis by the Legislative Reference Bureau***

This proposed constitutional amendment, proposed to the 2001 legislature on first consideration, provides that, beginning with real property taxes assessed by a city, village, town, or county on the January 1 after ratification, the maximum annual percentage change in the property tax on a parcel of real property for any year equals the lesser of: 1) 5%; or 2) the rate of inflation in the prior year, doubled, but not less than zero percent. The amendment provides a method by which the limit may be exceeded with elector approval.

A proposed constitutional amendment requires adoption by 2 successive legislatures, and ratification by the people, before it can become effective.

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5           ***Resolved by the assembly, the senate concurring, That:***

6           **SECTION 1.** Section 1 of article VIII of the constitution is renumbered section  
7           1 (1) of article VIII and amended to read:

1           [Article VIII] Section 1 (1) The Subject to other provisions of this section, the  
2 rule of taxation shall be uniform but the legislature may empower cities, villages, or  
3 towns to collect and return taxes on real estate located therein by optional methods.  
4 Taxes shall be levied upon such property with such classifications as to forests and  
5 minerals including or separate or severed from the land, as the legislature shall  
6 prescribe. Taxation of agricultural land and undeveloped land, both as defined by  
7 law, need not be uniform with the taxation of each other nor with the taxation of other  
8 real property. Taxation of merchants' stock-in-trade, manufacturers' materials and  
9 finished products, and livestock need not be uniform with the taxation of real  
10 property and other personal property, but the taxation of all such merchants'  
11 stock-in-trade, manufacturers' materials and finished products and livestock shall  
12 be uniform, except that the legislature may provide that the value thereof shall be  
13 determined on an average basis.

14           (3) Taxes may also be imposed on incomes, privileges and occupations, which  
15 taxes may be graduated and progressive, and reasonable exemptions may be  
16 provided.

17           **SECTION 2.** Section 1 (2) of article VIII of the constitution is created to read:

18           [Article VIII] Section 1 (2) (a) In this subsection:

19           1. "Ballot issue" means a question presented pursuant to this subsection to the  
20 electors for approval at an election.

21           2. "Governmental unit" means any city, village, town, or county.

22           3. "Inflation" means the percentage change in the United States Bureau of  
23 Labor Statistics Consumer Price Index for Milwaukee-Racine, all items, all urban  
24 consumers, or its successor index.

1           (b) Except as otherwise provided in this subsection, beginning with real  
2           property taxes assessed by a governmental unit on the January 1 after ratification  
3           of this subsection, the maximum annual percentage change in the property tax on  
4           a parcel of real property for any year, excluding delinquent property taxes, special  
5           assessments, special charges, special taxes, and taxes authorized under section 10  
6           (3) of this article, equals the lesser of:

7           1. Five percent; or

8           2. The rate of inflation in the prior year, doubled, but not less than zero percent.

9           (c) The limit under par. (b) may be exceeded in a governmental unit only with  
10          elector approval under this subsection in advance. An approval may not apply to less  
11          than all of the real property in the governmental unit.

12          (d) A ballot issue may be submitted only at an election at which either members  
13          of the legislature or members of the judiciary are regularly elected or at a primary  
14          election held to nominate candidates to be voted for at such an election, or on the  
15          Tuesday next succeeding the first Monday of November in odd-numbered years.

16          (e) At least 15 days before a ballot issue election, the governmental unit shall  
17          mail a titled notice or set of notices addressed to “All Qualified Electors” at each  
18          address of one or more residents of the governmental unit. A notice shall be titled:  
19          “NOTICE OF REFERENDUM TO INCREASE TAXES.” A notice shall include only:

20          1. The election date and hours, the ballot title and text, and the address and  
21          telephone number of the election office of the governmental unit;

22          2. The total or estimated total of fiscal year spending by the governmental unit  
23          for the current year and each of the past 4 years, and the overall percentage and  
24          dollar change of the proposed increase over the past 4 years;

