## **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.

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

## 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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## 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 <u>,</u> 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	<b>SECTION 2.</b> 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.

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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;

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1	3. For the first full fiscal year of each proposed tax increase, an estimate of the
2	maximum dollar amount of each increase by the governmental unit and an estimate
3	of the maximum dollar amount of fiscal year spending by the governmental unit
4	without the increase; and
5	4. Two summaries, up to 500 words each, one for and one against the ballot
6	issue.
7	(f) The summaries under par. (e) 4. shall be prepared by a person designated
8	by the governing body of the governmental unit. The summaries under par. (e) 4.
9	may not mention the name of a person or group or an endorsement of, or a statement
10	or position against, the ballot issue.
11	(g) A ballot question shall begin: "SHALL (GOVERNMENTAL UNIT) TAXES
12	BE INCREASED BY (first, or, if phased in, final, full fiscal year dollar increase)
13	ANNUALLY?".
14	<b>SECTION 3.</b> Section 1 (3) of article VIII of the constitution is created to read:
15	[Article VIII] Section 1 (3) If a parcel specified in sub. (2) is substantially
16	improved, as defined by the legislature by law, the owner of the parcel shall pay the
17	property taxes on the parcel for the year in which the improvement is made as if sub.
18	(2) were not in effect and in each subsequent year the property owner shall pay the
19	property taxes as limited by sub. (2).
20	Be it further resolved, That this proposed amendment be referred to the
21	legislature to be chosen at the next general election and that it be published for 3
22	months previous to the time of holding such election.
23	(END)

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