

2001 DRAFTING REQUEST

Assembly Joint Resolution

Received: 12/05/2000

Received By: **dykmapj**

Wanted: **Soon**

Identical to LRB:

For: **Mark Pettis (608) 267-2365**

By/Representing:

This file may be shown to any legislator: **NO**

Drafter: **dykmapj**

May Contact:

Alt. Drafters:

Subject: **Constitutional Amendments
Tax - property**

Extra Copies: **JK
MES
JTK**

Pre Topic:

No specific pre topic given

Topic:

Limiting the annual percentage increase in property taxes assessed on real property

Instructions:

See Attached 1999 AJR 112 with AA1 and AA2 99-4521/3 plus 99a1871/1 and 99a1872/1

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>
/?	dykmapj 12/05/2000	gilfokm 12/06/2000		_____			
/1	dykmapj 12/20/2000	gilfokm 12/20/2000	martykr 12/07/2000	_____	lrb_docadmin 12/07/2000		
/2			jfrantze 12/20/2000	_____	gretskl 12/20/2000	lrb_docadmin 01/08/2001	

FE Sent For:

<END>

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/1		12-12/Kmg 12/20	martykr 12/07/2000	_____	lrb_docadmin 12/07/2000		

FE Sent For: *Jt 12/20* *Sell 12/20* <END>

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1?	dykmapj	1-12/6 <u>Kmg</u>	<u>km</u> 12/6	<u>Kg</u> 12/6 <u>km</u> 6			

FE Sent For:

<END>



2001

1999 ASSEMBLY JOINT RESOLUTION 112

500 N

March 13, 2000 - Introduced by Representatives PETTIS, MUSSER, F. LASEE, SYKORA and SKINDRUD. Referred to Committee on Government Operations.

and (3)

1

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

2
3

Analysis by the Legislative Reference Bureau

2001

This proposed constitutional amendment, proposed to the 1999 legislature on first consideration, provides that, beginning with real property taxes assessed 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

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

4
5
6

Resolved by the assembly, the senate concurring, That:

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

[Article VIII] Section 1 (1) The Subject to other provisions of this section, the rule of taxation shall be uniform but the legislature may empower cities, villages, or towns to collect and return taxes on real estate located therein by optional methods.

P.W.F.

may provide a method by which the limit may be exceeded with elector approval.

1 Taxes shall be levied upon such property with such classifications as to forests and
 2 minerals including or separate or severed from the land, as the legislature shall
 3 prescribe. Taxation of agricultural land and undeveloped land, both as defined by
 4 law, need not be uniform with the taxation of each other nor with the taxation of other
 5 real property. Taxation of merchants' stock-in-trade, manufacturers' materials and
 6 finished products, and livestock need not be uniform with the taxation of real
 7 property and other personal property, but the taxation of all such merchants'
 8 stock-in-trade, manufacturers' materials and finished products and livestock shall
 9 be uniform, except that the legislature may provide that the value thereof shall be
 10 determined on an average basis.

11 (3) Taxes may also be imposed on incomes, privileges and occupations, which
 12 taxes may be graduated and progressive, and reasonable exemptions may be
 13 provided.

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

15 [Article VIII] Section 1 (2) (a) In this subsection ~~(inflation)~~ means the
 16 percentage change in the United States Bureau of Labor Statistics Consumer Price
 17 Index for Milwaukee-Racine, all items, all urban consumers, or its successor index.

18 (b) Beginning with real property taxes assessed on the January 1 after
 19 ratification of this subsection, the maximum annual percentage change in the
 20 property tax on a parcel of real property for any year, excluding delinquent property
 21 taxes, special assessments, special charges, special taxes and taxes authorized under
 22 section 10 (3) of this article, equals the lesser of:

- 23 1. Five percent; or
- 24 2. The rate of inflation in the prior year, doubled, but not less than zero percent.

P.W.F.

AA1
AA1

2-23M

2-18 AA2

9
Inflation
3.
AA1

1

2-24 AA2

**ASSEMBLY AMENDMENT 1,
TO 1999 ASSEMBLY JOINT RESOLUTION 112**

March 16, 2000 - Offered by COMMITTEE ON GOVERNMENT OPERATIONS.

1 At the locations indicated, amend the joint resolution as follows:

2 1. Page 2, line 15: delete “, “inflation”” and substitute “:

3 1. “Inflation”.

4 2. Page 2, line 17: after that line insert:

5 ~~2. “Ballot issue” means a question presented pursuant to this subsection to the~~
6 ~~electors for approval at an election.~~

2-17

7 ~~3. “Governmental unit” means any city, village, town, or county.”~~

⓪

8 3. Page 2, line 18: delete “Beginning” and substitute “Except as otherwise
9 provided in this subsection, beginning”.

10 4. Page 2, line 24: after that line insert:

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

2-23M



2-23m cont

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

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

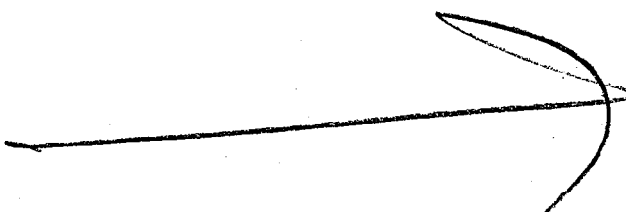
9 1. The election date and hours, the ballot title and text and the address and
10 telephone number of the election office of the governmental unit;

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

14 3. For the first full fiscal year of each proposed tax increase, an estimate of the
15 maximum dollar amount of each increase by the governmental unit and an estimate
16 of the maximum dollar amount of fiscal year spending by the governmental unit
17 without the increase; and

18 4. Two summaries, up to 500 words each, one for and one against the ballot
19 issue.

20 (f) The summaries under par. (e) 4. shall be prepared by a person designated
21 by the governing body of the governmental unit. The summaries under par. (e) 4.
22 may not mention the name of a person or group or an endorsement of, or a statement
23 or position against, the ballot issue.



2-23m
AA
AA

1 (g) A ballot question shall begin "SHALL (GOVERNMENTAL UNIT) TAXES
2 BE INCREASED BY ^{year} (first, or, if phased in, final, full fiscal year dollar increase)
3 ANNUALLY?"

4

(END)

**ASSEMBLY AMENDMENT 2,
TO 1999 ASSEMBLY JOINT RESOLUTION 112**

March 16, 2000 - Offered by COMMITTEE ON GOVERNMENT OPERATIONS.

1 At the locations indicated, amend the joint resolution as follows:

2 **1.** Page 2, line 18: delete "Beginning" and substitute "Except as otherwise
3 provided in this subsection, beginning".

2-18

4 **2.** Page 2, line 24: after that line insert:

5 ~~SECTION 211.~~ Section 1 (3) of article VIII of the constitution is created to read:

6 [Article VIII] Section 1 (3) If a parcel specified in sub. (2) is substantially
7 improved, as defined by the legislature by law, the owner of the parcel shall pay the
8 property taxes on the parcel for the year in which the improvement is made as if sub.
9 (2) were not in effect and in each subsequent year the property owner shall pay the
10 property taxes as limited by sub. (2)."

2-24

11

(END)

Dykman, Peter.

From: Nelson, Don
Sent: Tuesday, December 19, 2000 8:52 PM
To: Dykman, Peter; Rep.Pettis
Subject: RE: LRB-1336/1 on percentage increases on property taxes

actually, that change does make sense. It does not seem to expand the scope of the bill, rather just specifically state which taxing body is affected. Go with the change and we will circulate it. Thanks Peter

-----Original Message-----

From: Dykman, Peter
Sent: Sunday, December 10, 2000 5:31 PM
To: Rep.Pettis; Nelson, Don
Subject: LRB-1336/1 on percentage increases on property taxes

On reviewing your constitutional amendment (LRB-1336/1) on percentage increases on property taxes, we wonder if it could be made clearer, given the definition of governmental unit ("any city, village, town, or county"), if page 3, lines 1 to 6 were narrowed to have it apply only to taxes by each governmental unit? One approach would be to insert on page 2, line 2 after "assessed", "by a governmental unit". I believe we discussed this scope issue at some point, but decided that page 2, line 21 should be limited to those four governmental subdivisions, and not to add school districts and technical college districts and possibly any other taxing districts. If you want the your draft redrafted, please contact me. Thanks.

Attorney Peter Dykman
Wisconsin Legislative Reference Bureau
100 N. Hamilton Street, Fifth Floor
P.O. Box 2037
Madison, Wisconsin 53701-2037
Tel: (608) 266-7098
Fax: (608) 264-8522
Email: Peter.Dykman@legis.state.wi.us

2001 ASSEMBLY JOINT RESOLUTION

Spou

*by a city, village, town,
or county*

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).

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 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.

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.

by a governmental unit

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



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
5TH FLOOR
MADISON, WI 53701-2037

STEPHEN R. MILLER
CHIEF

LEGAL SECTION: (608) 266-3561
LEGAL FAX: (608) 264-6948

December 20, 2000

MEMORANDUM

To: Representative Pettis

From: Attorney Peter J. Dykman, General Counsel

Re: LRB-1336 Limiting the annual percentage increase in property taxes assessed on real property

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

~~___~~ JACKET FOR ASSEMBLY ___ JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-7098 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.