

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: 06/04/2003

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau 6-9916**

By/Representing: **Olin**

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

Drafter: **mshovers**

May Contact:

Addl. Drafters: **pgrant**

Subject: **Munis - miscellaneous
Counties - miscellaneous
Education - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to: **joseph.kreye@legis.state.wi.us**

Pre Topic:

LFB:.....Olin -

Topic:

Levy limits; municipalities, counties, technical college districts

Instructions:

See Attached

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>
/?	mshovers 06/05/2003	wjackson 06/06/2003		_____			
/1			rschluet 06/06/2003	_____	lemery 06/06/2003		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/2	mshovers 06/09/2003	csicilia 06/09/2003	pgreensl 06/09/2003	_____	lemery 06/09/2003		
/3	mshovers 06/10/2003	csicilia 06/10/2003	pgreensl 06/10/2003	_____	sbasford 06/10/2003		

FE Sent For:

<END>

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/1			rschluet 06/06/2003	<u>6/10</u> <u>ps</u>	lemery 06/06/2003		

6/10
ps

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/2	mshovers 06/09/2003	csicilia 06/09/2003	pgreensl 06/09/2003	_____	lemery 06/09/2003		

13 MES 6/10/03
 FE Sent For:

<END>

13 yrs 6/10/03

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/?	mshovers 06/05/2003	wjackson 06/06/2003					
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/1			rschluet 06/06/2003	<u>6/9</u>	lemery 06/06/2003		
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12 MES 6/9/03

12 cjs 6/9/03

6/9 PR ICE

FE Sent For:

<END>

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Extra Copies: **JK**

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Requester's email:

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Pre Topic:

LFB:.....Olin -

Topic:

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Instructions:

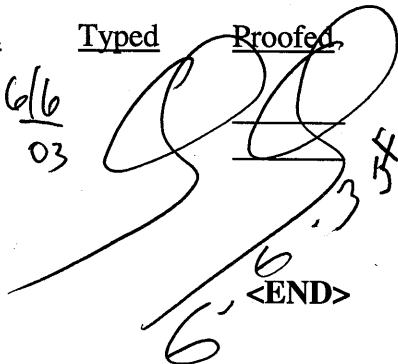
See Attached

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<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1?	mshovers	1 cjs 6/6/03					

11 MES YPG 6/5/03

FE Sent For:



6-6-03
<END>

FISCAL CONTROLS, SCHOOL AIDS AND STATE OPERATIONS

Motion:

Move to adopt the following changes to the bill:

1. Levy Limits. Prohibit any city, village, town, county, or technical college district from increasing its total levy in 2003 (payable in 2004), 2004 (payable in 2005), and 2005 (payable in 2006) by more than the following percentages: (a) for cities, villages, towns, and counties, the percentage increase in the January 1 equalized value for the year of the levy that is due to new construction, net of improvements removed, but not less than 0%; and (b) for technical college districts, 2.6%.

Specify that the levy limit shall be adjusted, as determined by the Department of Revenue, as follows: (a) if a municipality, county, or technical college district transfers to another governmental unit responsibility for providing any service that was provided in the preceding year, the levy increase limit otherwise applicable to the municipality, county, or technical college district is decreased to reflect the cost that the municipality, county, or technical college district would have incurred to provide the service; (b) if a municipality, county, or technical college district increases the services that it provides by adding responsibility for providing a service transferred to it from another governmental unit, the levy increase limit otherwise applicable to the municipality, county, or technical college district is increased to reflect the cost of providing that service; (c) if a municipality annexes property from another municipality, the annexing municipality's levy increase limit is increased by the municipal levy on the annexed property in the preceding year and the levy increase limit for the municipality from which the property was annexed is decreased by the same amount; and (d) if the debt service levy for a municipality, county, or technical college district in the preceding year is less than the debt service levy needed in the current year for any debt approved prior to the effective date of the biennial budget act, the levy increase limit otherwise applicable is increased by the difference between these two amounts.

Create a procedure under which a municipality, county, or technical college district may exceed its levy increase limit if the local government's governing body adopts a resolution to that effect and the electors of the municipality, county, or technical college district approve the resolution in a referendum. Specify that a town with a population below 2,000 may exceed its levy increase limit if the annual town meeting adopts a resolution to that effect. Specify that a referendum to exceed the levy increase limit for the 2004 levy (payable in 2005) must be held at the same time as the spring primary or election or the September primary or November general election. Sunset these provisions, effective July 1, 2006.



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb03357
MES&PG:Y:...

Handwritten signature
RMNR
gs

LFB:.....Olin - Levy limits; municipalities, counties, technical college districts

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT,
TO 2003 SENATE BILL 44

D. Note

FNS 1-1

1 At the locations indicated, amend the bill as follows:

2 1. Page 666, line 8: after that line insert:

3 "SECTION 1532m. 66.0602 of the statutes is created to read:

4 66.0602 Local levy limits. (1) DEFINITIONS. In this section:

5 (a) "Political subdivision" means a city, village, town, or county. ✓

6 (b) "Valuation factor" means a percentage equal to 60% of the percentage
7 change in the political subdivision's January 1 equalized value due to new
8 construction less improvements removed between the year before the previous year
9 and the previous year, but not less than zero nor greater than 2.

1 (2) LEVY LIMIT. Except as provided in subs. (3), (4), and (5), no political
2 subdivision may increase its ~~total~~ levy in 2003, or in any year thereafter, by a
3 percentage that exceeds the political subdivision's valuation factor. ✓

4 (3) EXCEPTIONS. (a) If a political subdivision transfers to another governmental
5 unit responsibility for providing any service that the political subdivision provided
6 in the preceding year, the levy increase limit otherwise applicable under this section ✓
7 to the political subdivision in the current year is decreased to reflect the cost that the
8 political subdivision would have incurred to provide that service, as determined by
9 the department of revenue. ✓

10 (b) If a political subdivision increases the services that it provides by adding
11 responsibility for providing a service transferred to it from another governmental
12 unit in ~~any year~~ ^{the preceding year}, the levy increase limit otherwise applicable under this section to the
13 political subdivision ~~in the current year~~ ^{is increased to reflect the cost of that service,}
14 as determined by the department of revenue. STET: leave as typed ✓

15 (c) If a city or village annexes territory from a town, the city's or village's levy
16 increase limit otherwise applicable under this section is increased in the current year
17 ^{an amount equal to} by the town levy on the annexed territory in the preceding year and the levy increase
18 limit for the town from which the territory is annexed, in the ~~current~~ ^{preceding} year, is
19 decreased by that ^{amount of} ~~same~~ ^{the debt service for} amount. STET: leave as typed

20 (d) If ~~any debt is incurred by~~ a political subdivision before the effective date of
21 this paragraph ^{year} [revisor inserts date], ^{LPS: moved to a square bracket} based on loans under subch. II of ch. 24,
22 ~~bonds issued under s. 67.05 or promissory notes issued under s. 67.12(2)(a)~~ ^{authorizing the issuance of debt,} the levy
23 increase limit otherwise applicable under this section to the political subdivision in
24 the current year is increased ^{by the difference between these two amounts,} ~~in the current year~~ ^{to include debt service payments on}
25 ~~any debt that is so incurred,~~ as determined by the department of revenue.

1 (4) REFERENDUM EXCEPTION. (a) A political subdivision may exceed the levy
 2 increase limit under sub. (2) if its governing body adopts a resolution to that effect
 3 and if the resolution is approved in a referendum. The resolution shall specify the
 4 proposed amount of increase in the levy beyond the amount that is allowed under
 5 sub. (2). With regard to a referendum relating to the 2003^{OR 2005} levy, the political
 6 subdivision may call a special referendum for the purpose of submitting the
 7 resolution to the electors of the political subdivision for approval or rejection. In lieu

8 ~~of a special referendum relating to the 2003 levy, the governing body may specify that~~
 9 ~~the referendum be held at the next succeeding September primary or general~~
 10 ~~election to be held not earlier than 45 days after the adoption of the resolution of the~~
 11 ~~political subdivision.~~ With regard to a referendum relating to the the 2004 levy and

12 ~~any levy thereafter,~~ the referendum shall be held at the next succeeding spring
 13 primary or election or September primary or general election to be held not earlier
 14 than 45 days after the adoption of the resolution of the political subdivision. ✓

15 (b) The clerk of the political subdivision shall publish type A, B, C, D, and E
 16 notices of the referendum under s. 10.01 (2). Section 5.01 (1) applies in the event of
 17 failure to comply with the notice requirements of this paragraph.

18 (c) The referendum shall be held in accordance with chs. 5 to 12. The political
 19 subdivision shall provide the election officials with all necessary election supplies.
 20 The form of the ballot shall correspond substantially with the standard form for
 21 referendum ballots prescribed by the elections board under ss. 5.64 (2) and 7.08 (1)

22 (a). The question shall be submitted as follows: "Under state law, the increase in the
 23 ~~total~~ levy of the ... (name of political subdivision) for the ~~budget~~ ^{tax to be imposed} for the next fiscal
 24 year, (year), is limited to ,....% ~~Shall the ... (name of political subdivision) be~~
 which

1 allowed to exceed this ^{limit} amount and increase the ~~total~~ levy for the next fiscal year, ...
 2 (year), by a total of ...%". *that results in a levy of \$....*
which

3 (d) Within 14 days after the referendum, the clerk of the political subdivision
 4 shall certify the results of the referendum to the department of revenue. *levy increase* The limit
 5 otherwise applicable to the political subdivision under sub. (2) is increased in the
 6 next fiscal year by the percentage approved by a majority of those voting on the
 7 question. ✓

8 (5) EXCEPTION, CERTAIN TOWNS. A town with a population of less than 2,000 may
 9 exceed the levy increase limit otherwise applicable under this section to the town if
 10 the annual town meeting adopts a resolution to that effect. The limit otherwise
 11 applicable to the town under sub. (2) is increased in the next fiscal year by the
 12 percentage approved by a majority of those voting on the question. ✓

13 (6) SUNSET. This section does not apply after June 30, 2006." ✓

(END)

d-note

no ff
Within 14 days after the adoption of the resolution,
 the town clerk shall certify the results of the
 vote to the department of revenue.

2-2

CS

DEFINITION

no 9 (1)

In this section, "debt service" means
~~the amount needed for the payment of any~~
~~general obligation debt~~ includes debt service
on debt issued or reissued to fund or
refund outstanding municipal obligations,
interest on outstanding municipal obligations, and
issuance and
related issuance costs and redemption
premiums.

INS. 1-1 (le pages)

BILL

1. The percentage change in the consumer price index is added to a valuation factor.

2. The sum of these percentages is then multiplied by the political subdivision's revenue in the previous year.

3. If the product is positive, the dollar amount of the decrease, if any, in state aid to the political subdivision is then subtracted from the product. The "valuation factor" is based on 60% of the percentage change in the political subdivision's equalized value due to new construction less improvements removed.

A political subdivision or technical college district may increase its revenue by a greater amount only if its governing body adopts a resolution to that effect by a two-thirds vote and a referendum authorizing the higher amount is approved by the electors. If a political subdivision or technical college district exceeds its limit without such approval, its state aid or shared revenue and transportation aid is reduced by the amount of the excess revenue. If the reduction is insufficient to cover the excess revenue of a political subdivision or technical college district, its governing body must reduce its property taxes to cover the remainder.

For further information see the *state and 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:

④ #. Page 478, line 16: after that line insert:

SECTION 38.17 of the statutes is created to read:

38.17 ^{943m} ~~Revenue~~ ^{Levy} limit. ~~(1) DEFINITIONS.~~ In this section:

(a) "Consumer price index" means the percentage change in the U.S. consumer price index for all urban consumers, U.S. city average, between the preceding March 31 and the 2nd preceding March 31, as determined by the federal department of labor.

(b) "Excess revenue" means the amount by which a district's revenue exceeds the limit under this section.

(c) "Revenue" means the sum of state aid, federal aid, and the property tax levy.

(d) "State aid" means aid under ss. 38.04 (13), (19), (20), and (23), 38.14 (11), 38.26 to 38.35, 38.38, 121.41 (1), and 146.55 (5).

INS. 2-2

3-4:1

Section # 121.91 (4) (a) of the statutes

- ^(B)
^(CS)
 (2) ADJUSTMENTS.
 district
1. If a school board transfers to another governmental unit responsibility for providing any service that it provided in the preceding ^{fiscal} school year, the limit otherwise applicable under sub. (2) in the current ^{fiscal} school year is decreased by the cost that it would have incurred to provide that service, as determined by the ^{state superintendent} department of revenue district
2. If a school board increases the services that it provides by adding responsibility for providing a service transferred to it from another governmental unit in the previous ^{fiscal} school year, the limit otherwise applicable under sub. (2) in the current ^{fiscal} school year is increased by the cost of that service, as determined by the ^{state superintendent} department of revenue

3. Notwithstanding subd. 2., if a school board increases the services that it provides by adding responsibility for providing a service that is transferred to it from another governmental unit for a child with a disability, as defined in s. 115.76 (5), or for a limited-English proficient pupil, as defined in s. 115.955 (7), the limit otherwise applicable under sub. (2m) in the current school year is increased by an amount equal to the estimated cost of providing the service less the estimated amount of aid that the school district will receive for the child or pupil in the following school year under s. 115.88 (1m) to (6) and (8), 115.995 or 118.255, as determined by the state superintendent. A school board that transfers or receives responsibility for providing a service under this subdivision shall notify the state superintendent. A school board that transfers responsibility for providing a service under this subdivision shall provide the state superintendent with an estimate of the reduction in cost attributable to the transfer, even if that estimate is zero. The state superintendent shall notify the transferring school district when a receiving school district notifies the state superintendent that it has received responsibility for providing a service transferred to it under this subdivision.

History: 1993 a. 16; 1995 a. 27 ss. 4108m to 4114, 9145 (1); 1997 a. 27, 113, 164, 237, 286; 1999 a. 9, 17, 19, 32, 182; 2001 a. 16.

3-4:2

in the current fiscal year

~~(b) If the amount needed by the district board to pay debt service in the current fiscal year~~

~~is ~~greater~~ more than the amount paid by the district board in the previous fiscal year, the limit otherwise applicable ~~to the district~~ ~~year~~ is increased by the difference between the 2 amounts, as determined by the department of revenue.~~

~~This paragraph applies only to debt authorized before the effective date of this paragraph [redate] by a resolution of the district board.~~

→ # (b) If a district board has adopted a resolution before the effective date of this paragraph ~~[redate]~~ authorizing the issuance of debt, and the amount needed by the district board in the current fiscal year to pay debt service on that debt

[revisor inserts date],

BILL

2003-04, or 2005-06 fiscal
subs. (3) and (4)

(2) ~~REVENUE~~ ^{levy} LIMIT. Except as provided in ~~sub. (1)~~ ^{102.6%}, no district board may increase its ~~revenue~~ ^{levy} for the 2004-05 ~~school~~ ^{levy for} year ~~or for any school year thereafter~~ ^{fiscal} to an amount that exceeds its ~~revenue~~ ^{levy} for the previous ~~school~~ ^{fiscal} year ~~increased~~ ^{multiplied} by the amount determined as follows, but not less than zero:

INS.
3-4

(a) 1. If the percentage change in the district's total aidable full-time equivalent student count between the previous school year and the current school year is positive, add it to the consumer price index.

2. If the percentage change in the district's total aidable full-time equivalent student count between the previous school year and the current school year is negative, subtract it from the consumer price index.

(b) Multiply the district's revenue in the previous school year by the result under par. (a).

(c) If the amount of state aid received in the preceding school year was less than the amount of state aid received in the 2nd preceding school year, subtract from the result under par. (b) the amount of the reduction in state aid if the amount under par. (b) is positive.

B

(4) ~~REFERENDUM~~ ^{1.} REFERENDUM. (a) A district board may exceed the ~~revenue~~ ^{levy} limit under sub. (2) if it adopts a resolution to that effect ~~by a vote of at least two thirds of the members elect~~ ^{and the resolution is approved in a referendum}

The resolution shall specify the proposed amount of increase in ~~revenue~~ ^{the levy} beyond the amount that is allowed under sub. (2). The district board shall

may

call a special referendum for the purpose of submitting the resolution to the electors of the district for approval or rejection. ~~In lieu of a special referendum, the district~~

~~board may specify that the referendum be held at the next succeeding spring primary~~

~~or election or September primary or general election to be held not earlier than 45~~

~~days after the adoption of the resolution by the district board.~~

(3) 3. A referendum to exceed the limit under sub. (2) for the ~~levy~~ ^{for the} 2004-05 fiscal year shall be held at the spring primary or election or September primary or general election in 2004.

subd. 3.

BILL

...% resulting in a levy of

1 (b) The district board shall publish type A, B, C, D, and E notices of the
2 referendum under s. 10.01 (2). Section 5.01 (1) applies in the event of failure to
3 comply with the notice requirements of this paragraph.

4 (c) The referendum shall be held in accordance with chs. 5 to 12. The district
5 board shall provide the election officials with all necessary election supplies. The
6 form of the ballot shall correspond substantially with the standard form for
7 referendum ballots prescribed by the elections board under ss. 5.64 (2) and 7.08 (1)

8 (a). The question shall be submitted as follows: "Under state law, the ^{percentage} increase in the
9 ^{levy} revenue of the ... (name of district) ~~for the budget for the~~ ^{next fiscal year,} ... ^(next fiscal year) is
10 limited to \$..... Shall the ... (name of district) be allowed to exceed this ^{limit} amount ^{such that} and
11 ~~increase the ^{levy} revenue for the ... (next) ~~fiscal~~ year by a total of \$.....?"~~

12 (d) Within 14 days after the referendum, the district board shall certify the
13 results of the referendum to the technical college system board. The limit otherwise
14 applicable to the district under sub. (2) is increased ^{for} in the next ^{fiscal} school year by the
15 amount approved by a majority of those voting on the question. ^{23/0}

← END INS 1-1 →

16 (4) PENALTY. The board shall do all of the following:
17 (a) Deduct from the state aid payment to a district under s. 38.28 in the school
18 year in which the district exceeded the revenue limit an amount equal to the excess
19 revenue for the district or the amount of those aids, whichever is less.
20 (b) If the amount of the deduction under par. (a) is insufficient to cover the
21 excess revenue, deduct from the other state aid payments to the district in the school
22 year in which the district exceeded the revenue limit an amount equal to the
23 remaining excess revenue or the amount of those payments, whichever is less.
24 (c) If the amount of the deductions under pars. (a) and (b) is insufficient to cover
25 the excess revenue, order the district board to reduce the property tax obligations of

the percentage increase for the next fiscal year ... (year) will be ...% , resulting in a levy of \$....?"

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0335/?dn
MES&PG.....

Rick Olin:

Is the definition of "valuation factor" in ^{proposed} s. 66.0602 (1) (b) OK? It's based on s. 79.05 (1) (d) ^{stats} ✓

With regard to the use of the word "municipality" in instruction 1. (c), relating to annexation, it is a little unclear to me, in some cases, whether you mean "city or village" or "town." Please review s. 66.0612 (3) (c) to make sure that it is consistent with the intent of the motion. 0602

~~The instruction regarding the debt service exception in instruction 1. (d) was a little confusing. Does s. 66.0602 (3) (d) achieve your intent?~~

In s. 66.0602 (5), do you want the small town exception to apply only to the annual town meeting, or to a special town meeting also? ✓

MES

Although I have not had time to research this issue, ~~but~~ there may be a problem with the way debt is treated in this draft. Under ~~article~~ article XI, section 3 (3) of the Wisconsin Constitution, a municipal corporation incurring indebtedness must levy a direct, annual tax sufficient to pay the principal and interest on the debt within 20 years. Under this draft, if a political subdivision or technical college district issues debt after the bill's effective date, must it reduce its operating levy in order to increase its debt levy? I'm not ~~absolutely~~ sure at this point whether that is permissible under the constitution. ⊖

PG

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0335/1dn
MES&PG:cjs:rs

June 6, 2003

Rick Olin:

Is the definition of "valuation factor" in proposed s. 66.0602 (1) (b) OK? It's based on s. 79.05 (1) (d), stats.

With regard to the use of the word "municipality" in instruction 1. (c), relating to annexation, it is a little unclear to me, in some cases, whether you mean "city or village," or "town." Please review s. 66.0602 (3) (c) to make sure that it is consistent with the intent of the motion.

In s. 66.0602 (5), do you want the small town exception to apply only to the annual town meeting, or to a special town meeting also?

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.state.wi.us

Although I have not had time to research this issue, there may be a problem with the way debt is treated in this draft. Under article XI, section 3 (3), of the Wisconsin Constitution, a municipal corporation incurring indebtedness must levy a direct, annual tax sufficient to pay the principal and interest on the debt within 20 years. Under this draft, if a political subdivision or technical college district issues debt after the bill's effective date, must it reduce its operating levy in order to increase its debt levy? I'm not sure at this point whether that is permissible under the constitution.

Peter R. Grant
Managing Attorney
Phone: (608) 267-3362
E-mail: peter.grant@legis.state.wi.us

Shovers, Marc

From: Olin, Rick
Sent: Monday, June 09, 2003 11:47 AM
To: Grant, Peter; Shovers, Marc
Cc: Ammerman, Fred; Loppnow, Dave
Subject: Levy Limit -- LRBb0335/1

Please consider the following changes to the draft:

Page 1, line 9, delete "the 2003-04; 2004-05, or 2005-06" and insert "a"
This would make it more difficult for the Governor to create a one-year limit through item veto.
Leadership asked that we attempt to guard against that possibility. Forgive the "play on words".

Page 1, line 10, substitute "1.026" for "102.6%".
This would eliminate the possible interpretation that the language allows levies to be doubled plus 2.6%.

Page 2, line 8 and Page 4, line 16, replace "in the previous year" with "in any year".
This would reflect the current law construction under the county tax rate limit program, [see s. 59.605 (2)(c)2.].
The service may be transferred in the year of the levy, rather than the preceding year.

Page 2, lines 11 - 17, can language parallel to that on Pages 4 and 5, lines 24 - 5 be substituted?
This would avoid questions regarding whether the intent is the same.

Page 3, line 17, replace "technical college system board" with "department of revenue".
DOR is responsible for administering the program.

Page 3, lines 19 & 20, please insert a sunset provision like the one on page 6, line 15.

Page 4, line 1, delete "60% of" -- not in motion
Page 4, line 4, delete "nor greater than 2" -- not in motion

Page 4, line 22, after "limit" insert "otherwise applicable under this section in the current year" for clarification
Page 4, lines 22 and 23, delete "in the current year"
Page 4, line 23, after "amount" insert "as determined by DOR"

Page 5, line 13, after "relating to" delete "the" -- either one, you can choose

Thanks -- Peace

Shovers, Marc

From: Olin, Rick
Sent: Monday, June 09, 2003 1:59 PM
To: Grant, Peter; Shovers, Marc
Cc: Ammerman, Fred; Loppnow, Dave
Subject: LRBb0335/1

Peter:

thanks for your comments

Re the definition of debt service, we have no objection to including similar language for the munis and counties. However, we understand that the word "includes" is used to clarify rather than to limit a concept. If that is the case here, i.e., there can be other types of debt service than those mentioned on lines 4 - 7 of page 1, then, feel free to create a similar definition on page 3.

Re the use of any vs preceding on page 2, line 8 and page 4, line 16, you are correct that "any" may be too open-ended. Rather than making that change(s), what do you think about changing the preceding line by

OK deleting "transferred to it from" and

substituting "that was provided by"?

Rick



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0335/2
MES&PG:cjs:rs

RMR
Stamp

LFB:.....Olin - Levy limits; municipalities, counties, technical college districts

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT,

TO 2003 SENATE BILL 44

1 At the locations indicated, amend the bill as follows:

2 1. Page 478, line 16: after that line insert:

3 "SECTION 943m. 38.17 of the statutes is created to read:

4 38.17 Levy limit. (1) DEFINITION. In this section, "debt service" includes debt
5 service on debt issued or reissued to fund or refund outstanding municipal
6 obligations, interest on outstanding municipal obligations, and related issuance
7 costs and redemption premiums.

8 (2) LIMIT. Except as provided in subs. (3) and (4), no district board may increase
9 its levy for the ~~2003-04, 2004-05, or 2005-06~~ ^{any} fiscal year to an amount that exceeds
10 its levy for the previous fiscal year multiplied by ~~1.026~~ 1.026 ✓

1 (3) ADJUSTMENTS. (a) 1. If a district board transfers to another governmental
 2 unit responsibility for providing any service that it provided in the preceding fiscal
 3 year, the limit otherwise applicable under sub. (2) in the current fiscal year is
 4 decreased by the cost that it would have incurred to provide that service, as
 5 determined by the department of revenue.

6 2. If a district board increases the services that it provides by adding
 7 responsibility for providing a service transferred to it from another governmental
 8 unit) in the previous fiscal year, the limit otherwise applicable under sub. (2) in the
 9 current fiscal year is increased by the cost of that service, as determined by the
 10 department of revenue.

11 (b) If ~~a district board has adopted a resolution before the effective date of this~~
 12 ~~paragraph ...~~ ^{revisor inserts date,} ~~authorizing the issuance of debt, and the amount~~
 13 ^{of debt service for a} ~~needed by the~~ district board in the ^{preceding} ~~current~~ fiscal year ~~to pay debt service on that debt~~
 14 ^{is more} ~~is more~~ than the amount ^{less} ~~paid by the district board~~ in the ^{of debt service needed} ~~previous~~ ^{current} fiscal year ~~for debt~~
 15 ~~service on that debt,~~ the limit otherwise applicable under sub. (2) for the current
 16 fiscal year is increased by the difference between the 2 amounts, as determined by
 17 the department of revenue.

18 (4) REFERENDUM. (a) 1. A district board may exceed the levy limit under sub.
 19 (2) if it adopts a resolution to that effect and the resolution is approved in a
 20 referendum. The resolution shall specify the proposed amount of increase in the levy
 21 beyond the amount that is allowed under sub. (2).

22 2. Except as provided in subd. 3., the district board may call a special
 23 referendum for the purpose of submitting the resolution to the electors of the district
 24 for approval or rejection.

as a result of the district board adopting a resolution before
 the effective date of this paragraph.... [~~insert~~], authorizing the
 issuance of debt, ^{revisor inserts date}

1 3. A referendum to exceed the limit under sub. (2) for the levy for the 2004-05
2 fiscal year shall be held at the spring primary or election or September primary or
3 general election in 2004.

4 (b) The district board shall publish type A, B, C, D, and E notices of the
5 referendum under s. 10.01 (2). Section 5.01 (1) applies in the event of failure to
6 comply with the notice requirements of this paragraph.

7 (c) The referendum shall be held in accordance with chs. 5 to 12. The district
8 board shall provide the election officials with all necessary election supplies. The
9 form of the ballot shall correspond substantially with the standard form for
10 referendum ballots prescribed by the elections board under ss. 5.64 (2) and 7.08 (1)

11 (a). The question shall be submitted as follows: "Under state law, the percentage
12 increase in the levy of the (name of district) for the next fiscal year, (year), is
13 limited to%, resulting in a levy of \$..... Shall the (name of district) be allowed
14 to exceed this limit such that the percentage increase for the next fiscal year,
15 (year), will be%, resulting in a levy of \$....?"

16 (d) Within 14 days after the referendum, the district board shall certify the
17 results of the referendum to the ~~technical college system board~~ ^{department of revenue}. The limit otherwise
18 applicable to the district under sub. (2) is increased for the next fiscal year by the
19 amount approved by a majority of those voting on the question.

insert
3-19 →

20 2. Page 666, line 8: after that line insert:

21 "SECTION 1532m. 66.0602 of the statutes is created to read:

22 **66.0602 Local levy limits.** (1) DEFINITIONS. In this section:

(a) "Political subdivision" means a city, village, town, or county.

23

INS 3-23
(b)

1 political subdivision adopting a resolution before the effective date of this paragraph
2 [revisor inserts date], authorizing the issuance of debt, the levy increase limit
3 otherwise applicable under this section to the political subdivision in the current
4 year is increased by the difference between these two amounts, as determined by the
5 department of revenue.

6 (4) REFERENDUM EXCEPTION. (a) A political subdivision may exceed the levy
7 increase limit under sub. (2) if its governing body adopts a resolution to that effect
8 and if the resolution is approved in a referendum. The resolution shall specify the
9 proposed amount of increase in the levy beyond the amount that is allowed under
10 sub. (2). With regard to a referendum relating to the 2003 or 2005 levy, the political
11 subdivision may call a special referendum for the purpose of submitting the
12 resolution to the electors of the political subdivision for approval or rejection. With
13 regard to a referendum relating to the ~~the~~ 2004 levy, the referendum shall be held
14 at the next succeeding spring primary or election or September primary or general
15 election.

16 (b) The clerk of the political subdivision shall publish type A, B, C, D, and E
17 notices of the referendum under s. 10.01 (2). Section 5.01 (1) applies in the event of
18 failure to comply with the notice requirements of this paragraph.

19 (c) The referendum shall be held in accordance with chs. 5 to 12. The political
20 subdivision shall provide the election officials with all necessary election supplies.

21 The form of the ballot shall correspond substantially with the standard form for
22 referendum ballots prescribed by the elections board under ss. 5.64 (2) and 7.08 (1)

23 (a). The question shall be submitted as follows: "Under state law, the increase in the
24 levy of the (name of political subdivision) for the tax to be imposed for the next
25 fiscal year, (year), is limited to%, which results in a levy of \$.... Shall the

1 (name of political subdivision) be allowed to exceed this limit and increase the levy
2 for the next fiscal year, (year), by a total of%, which results in a levy of \$....?."

3 (d) Within 14 days after the referendum, the clerk of the political subdivision
4 shall certify the results of the referendum to the department of revenue. The levy
5 increase limit otherwise applicable to the political subdivision under sub. (2) is
6 increased in the next fiscal year by the percentage approved by a majority of those
7 voting on the question.

8 (5) EXCEPTION, CERTAIN TOWNS. A town with a population of less than 2,000 may
9 exceed the levy increase limit otherwise applicable under this section to the town if
10 the annual town meeting adopts a resolution to that effect. The limit otherwise
11 applicable to the town under sub. (2) is increased in the next fiscal year by the
12 percentage approved by a majority of those voting on the question. Within 14 days
13 after the adoption of the resolution, the town clerk shall certify the results of the vote
14 to the department of revenue.

15 (6) SUNSET. This section does not apply after June 30, 2006."

16

(END)

3-19

(B)

(CS)

✓

91

(5)

SUNSET

This section does not apply
after June 30, 2006." ✓

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0335/2ins
MES&PG:cjs:rs

^{wp} "Debt service" includes debt service on debt issued or reissued to fund or refund outstanding municipal or county obligations, interest on outstanding municipal or county obligations, and related issuance costs and redemption premiums.

✓

INS
3-23

Shovers, Marc

From: Olin, Rick
Sent: Monday, June 09, 2003 8:34 PM
To: Grant, Peter; Shovers, Marc
Cc: Ammerman, Fred
Subject: LRBb0335/2

I may have failed to ask for this in my previous message.
Sorry, but its easy.


On Page 4, line 11, can you strike "2003, or in" and "thereafter"
Between the bill's effective date and the sunset provision, I don't think this is necessary.

While you are changing stuff, check out Page 2, line 16
should the numeric "2" be changed to "two"

Be "two", or not be "2"
That is the question
Which is nobler?



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0335/2³
MES&PG:cjs:pg
Stays 

LFB:.....Olin - Levy limits; municipalities, counties, technical college districts

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

**SENATE AMENDMENT ,
TO 2003 SENATE BILL 44**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 478, line 16: after that line insert:

3 “SECTION 943m. 38.17 of the statutes is created to read:

4 **38.17 Levy limit. (1) DEFINITION.** In this section, “debt service” includes debt
5 service on debt issued or reissued to fund or refund outstanding municipal
6 obligations, interest on outstanding municipal obligations, and related issuance
7 costs and redemption premiums.

8 **(2) LIMIT.** Except as provided in subs. (3) and (4), no district board may increase
9 its levy for any fiscal year to an amount that exceeds its levy for the previous fiscal
10 year multiplied by 1.026.

1 (3) ADJUSTMENTS. (a) 1. If a district board transfers to another governmental
2 unit responsibility for providing any service that it provided in the preceding fiscal
3 year, the limit otherwise applicable under sub. (2) in the current fiscal year is
4 decreased by the cost that it would have incurred to provide that service, as
5 determined by the department of revenue.

6 2. If a district board increases the services that it provides by adding
7 responsibility for providing a service transferred to it from another governmental
8 unit that provided the service in the previous fiscal year, the limit otherwise
9 applicable under sub. (2) in the current fiscal year is increased by the cost of that
10 service, as determined by the department of revenue.

11 (b) If the amount of debt service for a district board in the preceding fiscal year
12 is less than the amount of debt service needed in the current fiscal year, as a result
13 of the district board adopting a resolution before the effective date of this paragraph
14 [revisor inserts date], authorizing the issuance of debt, the limit otherwise
15 applicable under sub. (2) for the current fiscal year is increased by the difference
16 between the ~~of~~ amounts, as determined by the department of revenue.

17 (4) REFERENDUM. (a) 1. A district board may exceed the levy limit under sub.
18 (2) if it adopts a resolution to that effect and the resolution is approved in a
19 referendum. The resolution shall specify the proposed amount of increase in the levy
20 beyond the amount that is allowed under sub. (2).

21 2. Except as provided in subd. 3., the district board may call a special
22 referendum for the purpose of submitting the resolution to the electors of the district
23 for approval or rejection.

1 3. A referendum to exceed the limit under sub. (2) for the levy for the 2004–05
2 fiscal year shall be held at the spring primary or election or September primary or
3 general election in 2004.

4 (b) The district board shall publish type A, B, C, D, and E notices of the
5 referendum under s. 10.01 (2). Section 5.01 (1) applies in the event of failure to
6 comply with the notice requirements of this paragraph.

7 (c) The referendum shall be held in accordance with chs. 5 to 12. The district
8 board shall provide the election officials with all necessary election supplies. The
9 form of the ballot shall correspond substantially with the standard form for
10 referendum ballots prescribed by the elections board under ss. 5.64 (2) and 7.08 (1)

11 (a). The question shall be submitted as follows: “Under state law, the percentage
12 increase in the levy of the (name of district) for the next fiscal year, (year), is
13 limited to%, resulting in a levy of \$..... Shall the (name of district) be allowed
14 to exceed this limit such that the percentage increase for the next fiscal year,
15 (year), will be%, resulting in a levy of \$....?”.

16 (d) Within 14 days after the referendum, the district board shall certify the
17 results of the referendum to the department of revenue. The limit otherwise
18 applicable to the district under sub. (2) is increased for the next fiscal year by the
19 amount approved by a majority of those voting on the question.

20 (5) SUNSET. This section does not apply after June 30, 2006.”.

21 **2.** Page 666, line 8: after that line insert:

22 “SECTION 1532m. 66.0602 of the statutes is created to read:

23 **66.0602 Local levy limits.** (1) DEFINITIONS. In this section:

1 (a) "Debt service" includes debt service on debt issued or reissued to fund or
2 refund outstanding municipal or county obligations, interest on outstanding
3 municipal or county obligations, and related issuance costs and redemption
4 premiums.

5 (b) "Political subdivision" means a city, village, town, or county.

6 (c) "Valuation factor" means a percentage equal to the percentage change in the
7 political subdivision's January 1 equalized value due to new construction less
8 improvements removed between the year before the previous year and the previous
9 year, but not less than zero.

10 (2) LEVY LIMIT. Except as provided in subs. (3), (4), and (5), no political
11 subdivision may increase its levy in ~~2004 or in~~ any year ~~thereafter~~ by a percentage
12 that exceeds the political subdivision's valuation factor.

13 (3) EXCEPTIONS. (a) If a political subdivision transfers to another governmental
14 unit responsibility for providing any service that the political subdivision provided
15 in the preceding year, the levy increase limit otherwise applicable under this section
16 to the political subdivision in the current year is decreased to reflect the cost that the
17 political subdivision would have incurred to provide that service, as determined by
18 the department of revenue.

19 (b) If a political subdivision increases the services that it provides by adding
20 responsibility for providing a service transferred to it from another governmental
21 unit that provided the service in the preceding year, the levy increase limit otherwise
22 applicable under this section to the political subdivision in the current year is
23 increased to reflect the cost of that service, as determined by the department of
24 revenue.

1 (c) If a city or village annexes territory from a town, the city's or village's levy
2 increase limit otherwise applicable under this section is increased in the current year
3 by an amount equal to the town levy on the annexed territory in the preceding year
4 and the levy increase limit otherwise applicable under this section in the current
5 year for the town from which the territory is annexed is decreased by that same
6 amount, as determined by the department of revenue.

7 (d) If the amount of debt service for a political subdivision in the preceding year
8 is less than the amount of debt service needed in the current year, as a result of the
9 political subdivision adopting a resolution before the effective date of this paragraph
10 [revisor inserts date], authorizing the issuance of debt, the levy increase limit
11 otherwise applicable under this section to the political subdivision in the current
12 year is increased by the difference between these two amounts, as determined by the
13 department of revenue.

14 **(4) REFERENDUM EXCEPTION.** (a) A political subdivision may exceed the levy
15 increase limit under sub. (2) if its governing body adopts a resolution to that effect
16 and if the resolution is approved in a referendum. The resolution shall specify the
17 proposed amount of increase in the levy beyond the amount that is allowed under
18 sub. (2). With regard to a referendum relating to the 2003 or 2005 levy, the political
19 subdivision may call a special referendum for the purpose of submitting the
20 resolution to the electors of the political subdivision for approval or rejection. With
21 regard to a referendum relating to the 2004 levy, the referendum shall be held at the
22 next succeeding spring primary or election or September primary or general election.

23 (b) The clerk of the political subdivision shall publish type A, B, C, D, and E
24 notices of the referendum under s. 10.01 (2). Section 5.01 (1) applies in the event of
25 failure to comply with the notice requirements of this paragraph.

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2 subdivision shall provide the election officials with all necessary election supplies.

3 The form of the ballot shall correspond substantially with the standard form for
4 referendum ballots prescribed by the elections board under ss. 5.64 (2) and 7.08 (1)

5 (a). The question shall be submitted as follows: “Under state law, the increase in the
6 levy of the ... (name of political subdivision) for the tax to be imposed for the next
7 fiscal year, ... (year), is limited to ...%, which results in a levy of \$.... Shall the ...
8 (name of political subdivision) be allowed to exceed this limit and increase the levy
9 for the next fiscal year, ... (year), by a total of ...%, which results in a levy of \$....?”.

10 (d) Within 14 days after the referendum, the clerk of the political subdivision
11 shall certify the results of the referendum to the department of revenue. The levy
12 increase limit otherwise applicable to the political subdivision under sub. (2) is
13 increased in the next fiscal year by the percentage approved by a majority of those
14 voting on the question.

15 (5) EXCEPTION, CERTAIN TOWNS. A town with a population of less than 2,000 may
16 exceed the levy increase limit otherwise applicable under this section to the town if
17 the annual town meeting adopts a resolution to that effect. The limit otherwise
18 applicable to the town under sub. (2) is increased in the next fiscal year by the
19 percentage approved by a majority of those voting on the question. Within 14 days
20 after the adoption of the resolution, the town clerk shall certify the results of the vote
21 to the department of revenue.

22 (6) SUNSET. This section does not apply after June 30, 2006.”.

23 (END)



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0335/3
MES&PG:cjs:pg

LFB:.....Olin - Levy limits; municipalities, counties, technical college districts

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

SENATE AMENDMENT ,

TO 2003 SENATE BILL 44

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 478, line 16: after that line insert:

3 **“SECTION 943m.** 38.17 of the statutes is created to read:

4 **38.17 Levy limit. (1) DEFINITION.** In this section, “debt service” includes debt
5 service on debt issued or reissued to fund or refund outstanding municipal
6 obligations, interest on outstanding municipal obligations, and related issuance
7 costs and redemption premiums.

8 **(2) LIMIT.** Except as provided in subs. (3) and (4), no district board may increase
9 its levy for any fiscal year to an amount that exceeds its levy for the previous fiscal
10 year multiplied by 1.026.

1 (3) ADJUSTMENTS. (a) 1. If a district board transfers to another governmental
2 unit responsibility for providing any service that it provided in the preceding fiscal
3 year, the limit otherwise applicable under sub. (2) in the current fiscal year is
4 decreased by the cost that it would have incurred to provide that service, as
5 determined by the department of revenue.

6 2. If a district board increases the services that it provides by adding
7 responsibility for providing a service transferred to it from another governmental
8 unit that provided the service in the previous fiscal year, the limit otherwise
9 applicable under sub. (2) in the current fiscal year is increased by the cost of that
10 service, as determined by the department of revenue.

11 (b) If the amount of debt service for a district board in the preceding fiscal year
12 is less than the amount of debt service needed in the current fiscal year, as a result
13 of the district board adopting a resolution before the effective date of this paragraph
14 [revisor inserts date], authorizing the issuance of debt, the limit otherwise
15 applicable under sub. (2) for the current fiscal year is increased by the difference
16 between the 2 amounts, as determined by the department of revenue.

17 (4) REFERENDUM. (a) 1. A district board may exceed the levy limit under sub.
18 (2) if it adopts a resolution to that effect and the resolution is approved in a
19 referendum. The resolution shall specify the proposed amount of increase in the levy
20 beyond the amount that is allowed under sub. (2).

21 2. Except as provided in subd. 3., the district board may call a special
22 referendum for the purpose of submitting the resolution to the electors of the district
23 for approval or rejection.

1 3. A referendum to exceed the limit under sub. (2) for the levy for the 2004–05
2 fiscal year shall be held at the spring primary or election or September primary or
3 general election in 2004.

4 (b) The district board shall publish type A, B, C, D, and E notices of the
5 referendum under s. 10.01 (2). Section 5.01 (1) applies in the event of failure to
6 comply with the notice requirements of this paragraph.

7 (c) The referendum shall be held in accordance with chs. 5 to 12. The district
8 board shall provide the election officials with all necessary election supplies. The
9 form of the ballot shall correspond substantially with the standard form for
10 referendum ballots prescribed by the elections board under ss. 5.64 (2) and 7.08 (1)

11 (a). The question shall be submitted as follows: “Under state law, the percentage
12 increase in the levy of the (name of district) for the next fiscal year, (year), is
13 limited to%, resulting in a levy of \$..... Shall the (name of district) be allowed
14 to exceed this limit such that the percentage increase for the next fiscal year,
15 (year), will be%, resulting in a levy of \$....?”.

16 (d) Within 14 days after the referendum, the district board shall certify the
17 results of the referendum to the department of revenue. The limit otherwise
18 applicable to the district under sub. (2) is increased for the next fiscal year by the
19 amount approved by a majority of those voting on the question.

20 (5) SUNSET. This section does not apply after June 30, 2006.”.

21 **2.** Page 666, line 8: after that line insert:

22 “**SECTION 1532m.** 66.0602 of the statutes is created to read:

23 **66.0602 Local levy limits.** (1) DEFINITIONS. In this section:

1 (a) “Debt service” includes debt service on debt issued or reissued to fund or
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3 municipal or county obligations, and related issuance costs and redemption
4 premiums.

5 (b) “Political subdivision” means a city, village, town, or county.

6 (c) “Valuation factor” means a percentage equal to the percentage change in the
7 political subdivision’s January 1 equalized value due to new construction less
8 improvements removed between the year before the previous year and the previous
9 year, but not less than zero.

10 **(2) LEVY LIMIT.** Except as provided in subs. (3), (4), and (5), no political
11 subdivision may increase its levy in any year by a percentage that exceeds the
12 political subdivision’s valuation factor.

13 **(3) EXCEPTIONS.** (a) If a political subdivision transfers to another governmental
14 unit responsibility for providing any service that the political subdivision provided
15 in the preceding year, the levy increase limit otherwise applicable under this section
16 to the political subdivision in the current year is decreased to reflect the cost that the
17 political subdivision would have incurred to provide that service, as determined by
18 the department of revenue.

19 (b) If a political subdivision increases the services that it provides by adding
20 responsibility for providing a service transferred to it from another governmental
21 unit that provided the service in the preceding year, the levy increase limit otherwise
22 applicable under this section to the political subdivision in the current year is
23 increased to reflect the cost of that service, as determined by the department of
24 revenue.

1 (c) If a city or village annexes territory from a town, the city's or village's levy
2 increase limit otherwise applicable under this section is increased in the current year
3 by an amount equal to the town levy on the annexed territory in the preceding year
4 and the levy increase limit otherwise applicable under this section in the current
5 year for the town from which the territory is annexed is decreased by that same
6 amount, as determined by the department of revenue.

7 (d) If the amount of debt service for a political subdivision in the preceding year
8 is less than the amount of debt service needed in the current year, as a result of the
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2 subdivision shall provide the election officials with all necessary election supplies.
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9 for the next fiscal year, (year), by a total of%, which results in a levy of \$....?”.

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18 applicable to the town under sub. (2) is increased in the next fiscal year by the
19 percentage approved by a majority of those voting on the question. Within 14 days
20 after the adoption of the resolution, the town clerk shall certify the results of the vote
21 to the department of revenue.

22 (6) SUNSET. This section does not apply after June 30, 2006.”.

23 (END)