

2003 DRAFTING REQUEST

Assembly Amendment (AA-SB44)

Received: 06/18/2003

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: James Kreuser (608) 266-5504

By/Representing: Aaron

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters: pgrant

Subject: Munis - miscellaneous
Munis - tax incrmntal financing
Counties - miscellaneous
Education - miscellaneous

Extra Copies:

Submit via email: YES

Requester's email: Rep.Kreuser@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Exempt debt service from levy limits; tax incremental financing (TIF) changes

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 06/18/2003	wjackson 06/18/2003		_____			
/P1			chaskett 06/19/2003	_____	lemery 06/19/2003		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	mshovers 06/19/2003	kfollett 06/19/2003	rschluet 06/19/2003	_____	amentkow 06/19/2003	amentkow 06/19/2003	
/2	mshovers 06/19/2003	csicilia 06/19/2003	chaskett 06/19/2003	_____	amentkow 06/19/2003	amentkow 06/19/2003	

FE Sent For:

<END>

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Table with 8 columns: Vers., Drafted, Reviewed, Typed, Proofed, Submitted, Jacketed, Required. It lists drafters like mshovers, wjackson, chaskett, and lemery with their respective dates.

Handwritten notes: 12 gjs 6/19 03, KJ 6/19, KJ 6/19

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/1	mshovers 06/19/2003	kfollett 06/19/2003	rschluet 06/19/2003	_____	amentkow 06/19/2003	amentkow 06/19/2003	
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12 MES 6/19/03
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<END>

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1?	mshovers	PL WLJ 6/18	PA CPK 6/19	PA/CPK 6/19			
11 WES	6/19/03						
FE Sent For:		11 WES 6/19					

<END>

Shovers, Marc

From: Nuutinen, Aaron
Sent: Tuesday, June 17, 2003 4:21 PM
To: Shovers, Marc
Cc: Olin, Rick
Subject: levy limit proposal

Sensitivity: Confidential

Marc:
Attached you will find Rick Olin's description of Rep. Kreuser's proposed amendment. In short, we would like to modify the JFC levy limit proposal to (1) exempt debt service; and (2) extend the expenditure authority and life of TIFs by three years. With respect to the debt service issue, please note that we would like to place the control on the operating levy only, not the debt service levy. This question is raised by Rick near the bottom of page 2.

Please feel free to contact me or Rick with any questions or concerns you may have. Thanks

Aaron Nuutinen

Office of Representative Jim Kreuser

Assembly Democratic Leader

201 West - State Capitol

608-266-5504



aaron.pdf



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

June 16, 2003

TO: Representative James Kreuser
Room 201 West, State Capitol

FROM: Rick Olin and Al Runde

SUBJECT: Modifications to Levy Limit Proposal

At your request, this memorandum provides information on a possible modification to the proposed limitation on municipal, county, and technical district tax levies. You asked if changes could be made to the proposal that would address concerns raised by bond counsel. In addition, you asked about potential changes to the tax incremental financing (TIF) law that would extend the time period for repaying TIF district project costs.

Description of Proposal

The proposal would limit the rate of increase in the tax levy of each municipality and county to the jurisdiction's percentage change in tax base due to new construction, as determined for January 1 equalized values in the year of the levy. The increase in tax levies of technical college districts would be limited to 2.6% per year. The control would apply to taxes levied in 2003 (payable in 2004), 2004 (payable in 2005), and 2005 (payable in 2006). The proposal would authorize several adjustments to the allowable levy. First, a local government would be required to decrease its levy to reflect the cost of a transferred service if it transfers a service to another governmental unit. Conversely, a local government could increase its levy to reflect the cost of a transferred service if the local government assumes responsibility for providing a service previously performed by another governmental unit. In addition, the allowable levy for municipalities involved in annexations would be adjusted to reflect the levy on that property in the prior year. Also, a local government could increase its levy to repay debt approved prior to the effective date of the biennial budget act. Finally, municipalities, counties, and technical college districts would be permitted to increase their levies by amounts approved both by their governing body in a resolution and by the electors of the corresponding jurisdiction in a referendum. In 2004, such a referendum would have to be held at the same time as the spring primary or election or September primary or November general election. Towns with populations under 2,000 could exceed the levy limit if the increase is

approved at the annual town meeting. Because the limitation would be in effect for only three years, the fiscal controls imposed on counties and technical colleges under current law would remain in effect.

Possible Modification to Debt Levy Provision

The proposal provides an adjustment for levy increases for debt service on debt approved prior to the effective date of the biennial budget act. However, several individuals who serve as local government bond counsel have sought changes to the proposal that would allow for greater certainty in interpreting the impact of this provision and for more flexibility in issuing debt in the future. Bond counsel's concerns might be addressed by modifying the proposal to define the levy similarly to that used in the county tax rate limit program.

In the county tax rate limit program, each county's total tax levy is separated into two components. The debt levy and debt levy rate are comprised of amounts for debt service on state trust fund loans, general obligation bonds, and long-term promissory notes, while the operating levy is comprised of all other taxes. A similar distinction was employed in the 2001-03 budget adjustment bill when Governor McCallum proposed imposing a levy limit on the operating levy of each municipality and county. In that proposal, operating levy would have been defined as the total political subdivision levy minus any portion of the total levy attributable to the political subdivision's levy for debt service on loans provided to the political subdivision by the Board of Commissioners of Public Lands or bonds or promissory notes issued by the political subdivision, less any revenues that abate the debt service levy. Although the Assembly voted to adopt a modified version of the Governor's proposal, the final bill adopted by the full Legislature did not include a levy limit proposal. The distinction between operating levies and debt service levies has been employed in the county tax rate limit program since 1993.

If the Joint Finance proposal was modified to distinguish between operating levies and debt service levies, the limitation would apply only to the operating levy. If there is a desire to place a control on the debt service levy, as well, provisions similar to those imposed on counties could be adopted for municipalities and technical college districts. Each county is prohibited from issuing new debt that would be repaid from the county's debt levy, unless one of the following conditions is met:

- the debt does not cause the county's debt levy rate to exceed the prior year's allowable debt levy rate, which is derived from the county's actual 1992(93) tax rate, based on the 'reasonable expectation' of the county board;
- the debt is approved through referendum if it would cause the county's debt levy rate to exceed the county's allowable debt levy rate;
- the debt was authorized prior to August 12, 1993;

- the debt is used to pay unfunded service liability contributions under the Wisconsin retirement system;
- the debt is used to refund existing debt;
- the debt is authorized by a 75% vote of the county board;
- the debt is issued to comply with court orders and judgments; or
- the debt is issued to provide liability insurance and risk management services authorized under state statute.

Possible Modifications for TIF Districts

Under 1995 Act 27, changes were made to the allowable expenditure period, period for allocation of tax increments, and the required termination dates for TIF districts. These changes were made in response to tax rate reductions caused by the state's funding of two-thirds of partial school revenues. Prior to 1995 Act 27, TIF district project expenditures were required to be made within seven years after the creation of the district. In addition, regardless of the time period allowed for TIF project expenditures, no annual allocation of tax increments could occur longer than 23 years after the date of the districts' creation. TIF districts were required to be terminated when the earliest of the following occurred: (1) all project costs of that district were reimbursed through the receipt of tax increments; (2) the local government body, by resolution, dissolved the district; or (3) 16 years after the final project costs were incurred.

Act 27 made the following changes for districts created before October 1, 1995: (1) extended the allowable expenditure period from 7 to 10 years; (2) extended the period for which tax increments could be allocated from 23 to 27 years after the date of the districts' creation; (3) extended the termination date for TIF districts from 16 to 20 years after the final project costs were incurred; and (4) allowed one district to allocate positive tax increments for up to 10 years to another district that had yet to pay off its aggregate project costs under its project plan if the districts had the same overlying taxing jurisdictions. For districts created after October 1, 1995, the prior law limits were retained and continue to apply to new districts under current law.

You asked how the proposed levy limits would affect tax rates and how that impact compares to the tax rate impact of moving to two-thirds funding of partial school revenues. You also asked how the proposed levy limits could be amended to allow TIF districts to have a longer time period to recover project costs, in recognition of tax rate decreases.

At the time two-thirds funding was implemented, statewide average tax rates dropped by 12.5%. The proposed levy limits will have a more gradual effect in the first year, with an estimated 4.5% decrease in statewide average tax rates. The cumulative impact will increase to an estimated 8.4% decrease in the second year and an 11.8% decrease in the third year. Beginning in the fourth year, the levy limits would be sunset. Based on past experience, the removal of fiscal controls tends to result in higher levy increases, as deferred activities are resumed. Presumably, the tax rate

impact of the limits will moderate beginning in the fourth year. Due to this effect and the lower initial rate reductions than occurred in 1996(97), TIF adjustments that are smaller than those adopted under 1995 Act 27 may provide a comparable effect relative to the tax rate changes.

The maximum period for which tax increments could be allocated and the termination date for TIF districts were both extended for four years under 1995 Act 27. These could be extended for either two years or three years, to adjust for the proposed levy limits, depending on the degree of compensation desired and assumptions about levying behavior once the limits are sunset. The longer extension would be consistent with a view that temporary limits may result in long-term rate decreases.

The time period adjustments could be applied to both districts created prior to October 1, 1995, and those created since that time. In addition, if the proposed levy limits are thought to hamper the creation of new districts, the time period adjustments could be applied to any district created during the time period that the proposed levy limits would be in effect.

If you have any questions on this information, please let us know.

RO/AR/sas



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0725/P1
MES&PG.....

WJ
RMK

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT,

TO 2003 SENATE BILL 44

D-note

INS
1-1

as shown by senate substitute amendment 1,

At the locations indicated, amend the bill as follows:

1. Page 598, line 9: after that line insert:

SECTION ^{1533K} ~~1553H~~ 66.1105 (6) (a) of the statutes is renumbered 66.1105 (6) (a) (intro.) and amended to read:

66.1105 (6) (a) (intro.) If the joint review board approves the creation of the tax incremental district under sub. (4m), positive tax increments with respect to a tax incremental district are allocated to the city which created the district for each year commencing after the date when a project plan is adopted under sub. (4) (g). The department of revenue may not authorize allocation of tax increments until it determines from timely evidence submitted by the city that each of the procedures and documents required under sub. (4) (d) to (f) has been completed and all related notices given in a timely manner. The department of revenue may authorize

1 allocation of tax increments for any tax incremental district only if the city clerk and
 2 assessor annually submit to the department all required information on or before the
 3 2nd Monday in June. The facts supporting any document adopted or action taken
 4 to comply with sub. (4) (d) to (f) are not subject to review by the department of revenue
 5 under this paragraph. After the allocation of tax increments is authorized, the
 6 department of revenue shall annually authorize allocation of the tax increment to
 7 the city that created the district until the soonest of the following ²events:

8 1. The department of revenue receives a notice under sub. (8) and the notice
 9 has taken effect under sub. (8) (b), ~~27~~.

10 2. Thirty years after the tax incremental district is created if the district is
 11 created before October 1, 1995, ~~38~~.

12 3. ~~Thirty-eight~~ years after the tax incremental district is created if the district
 13 is created before October 1, 1995, and the project plan is amended under sub. (4) (h)
 14 ~~or 23~~

15 4. ~~Twenty-six~~ years after the tax incremental district is created if the district
 16 is created after September 30, 1995, ~~whichever is sooner~~.

17 ^{© 1533m}
 SECTION ~~1533m~~ 66.1105 (6) (am) 1. of the statutes is amended to read:

18 66.1105 (6) (am) 1. For a tax incremental district that is created after
 19 September 30, 1995, no expenditure may be made later than ~~7~~ 10 years after the tax
 20 incremental district is created, and for a tax incremental district that is created
 21 before October 1, 1995, no expenditure may be made later than ~~10~~ 13 years after the
 22 tax incremental district is created, except that, for a tax incremental district that is
 23 created before October 1, 1995, and which receives tax increments under par. (d), no

1 expenditure may be made later than 12 years after the tax incremental district is
2 created.

History: 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104.

3 SECTION ~~1589h~~ 66.1105 (7) (am) of the statutes is amended to read:

4 66.1105 (7) (am) ~~Sixteen~~ Nineteen years after the last expenditure identified
5 in the project plan is made if the district to which the plan relates is created after
6 September 30, 1995, or ~~20~~ 23 years after the last expenditure identified in the project
7 plan is made if the district to which the plan relates is created before October 1, 1995,
8 except that in no case may the total number of years during which expenditures are
9 made under sub. (6) (am) 1. plus the total number of years during which tax
10 increments are allocated under ~~this paragraph~~ sub. (6) (a) exceed ~~27~~ 30 years.”.

History: 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104.

11

(END)

**SENATE AMENDMENT ,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO 2003 SENATE BILL 44**

INS 1-1
p1 of 2

- 1 ~~At the locations indicated, amend the substitute amendment as follows.~~
- 2 **1.** Page 436, line 11: delete “debt service” includes debt” and substitute
3 “operating expenses” has the meaning given in s. 67.04 (1) (ag).”.
- 4 **2.** Page 436, line 12: delete lines 12 to 14.
- 5 **3.** Page 436, line 16: before “for any fiscal” insert “for operating expenses”.
- 6 **4.** Page 436, line 16: before “for the previous fiscal” insert “for operating
7 expenses”.
- 8 **5.** Page 436, line 18: delete “1.”.
- 9 **6.** Page 436, line 23: substitute “(b)” for “2.”.
- 10 **7.** Page 437, line 3: delete lines 3 to 8.
- 11 **8.** Page 438, line 2: before “levy” insert “operating”.

- 1 **9.** Page 438, line 3: delete “a levy” and substitute “an operating levy”.
- 2 **10.** Page 438, line 5: delete “a levy” and substitute “an operating levy”.
- 3 **11.** Page 595, line 11: delete lines 11 to 14 and substitute:
4 “(a) “Operating expenses” has the meaning given in s. 67.04 (1) (ag).”.
- 5 **12.** Page 595, line 21: after “levy” insert “for operating expenses”.
- 6 **13.** Page 596, line 16: delete lines 16 to 22.
- 7 **14.** Page 597, line 15: before “levy” insert “operating”.
- 8 **15.** Page 597, line 16: delete “a levy” and substitute “an operating levy”.
- 9 **16.** Page 597, line 17: before “levy” insert “operating”.
- 10 **17.** Page 597, line 18: delete “a levy” and substitute “an operating levy”.

11

(END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0725/?dn
MES&PG.....

Rep. Kreuser:

This amendment also increases the maximum period during which DOR may allocate tax increments. Is this OK?

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



RMP

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

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

DINOTL

1 At the locations indicated, amend the bill, as shown by senate substitute
2 amendment 1, as follows:

3 1. Page 436, line 11: delete “debt service” includes debt” and substitute
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8 expenses”.

9 5. Page 436, line 18: delete “1.”.

10 6. Page 436, line 23: substitute “(b)” for “2.”.

11 7. Page 437, line 3: delete lines 3 to 8.

as affected by senate amendment 121 to senate substitute amendment 1

- 1 8. Page 438, line 2: before "levy" insert "operating".
- 2 9. Page 438, line 3: delete "a levy" and substitute "an operating levy".
- 3 10. Page 438, line 5: delete "a levy" and substitute "an operating levy".
- 4 11. Page 595, line 11: delete lines 11 to 14 and substitute:
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- 6 12. Page 595, line 21: after "levy" insert "for operating expenses".
- 7 13. Page 596, line 16: delete lines 16 to 22, as affected by amendment 1
- 8 14. Page 597, line 15: before "levy" insert "operating".
- 9 15. Page 597, line 16: delete "a levy" and substitute "an operating levy".
- 10 16. Page 597, line 17: before "levy" insert "operating".
- 11 17. Page 597, line 18: delete "a levy" and substitute "an operating levy".
- 12 18. Page 598, line 9: after that line insert:

senate amendment 121 to
senate substitute

13 "SECTION 1553k. 66.1105 (6) (a) of the statutes is renumbered 66.1105 (6) (a)
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6 the city that created the district until the soonest of the following:

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12 is created before October 1, 1995, and the project plan is amended under sub. (4) (h)
13 3. or 23

14 4. Twenty-six years after the tax incremental district is created if the district
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3 September 30, 1995, or ~~20~~ 23 years after the last expenditure identified in the project
4 plan is made if the district to which the plan relates is created before October 1, 1995,
5 except that in no case may the total number of years during which expenditures are
6 made under sub. (6) (am) 1. plus the total number of years during which tax
7 increments are allocated under ~~this paragraph~~ sub. (6) (a) exceed ~~27~~ 30 years.”

8 (END)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0725/87dn
MES:wlj:cph

June 19, 2003

Rep. Kreuser:

This amendment also increases the maximum period during which DOR may allocate tax increments. Is this OK?

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

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LRBb0725/1dn
MES:wlj:rs

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State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0725/1
MES&PG: [unclear] rs

2
RMR
CS

ASSEMBLY AMENDMENT,
TO 2003 SENATE BILL 44

D-note

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- 7 ~~4. Page 436, line 16: before “for the previous fiscal” insert “for operating
8 expenses”.~~
- 9 ~~5. Page 436, line 18: delete “1.”.~~
- 10 ~~6. Page 436, line 23: substitute “(b)” for “2.”.~~
- 11 ~~7. Page 437, line 3: delete lines 3 to 8, as affected by senate amendment 121
12 to senate substitute amendment 1.~~

LFB:.....Olin, Boyle - Delete levy limits

FOR 2003-05 BUDGET - NOT READY FOR INTRODUCTION
ASSEMBLY AMENDMENT,
TO 2003 SENATE BILL 44

1 At the locations indicated, amend the bill, as shown by senate substitute
2 amendment 1, as follows:

3 1. Page 436, line 10: delete lines 10 to 25.

and substitute: INS 1

4 2. Page 437, line 1: delete lines 1 to 25, as affected by senate amendment 121
5 to senate substitute amendment 1. ✓

6 3. Page 438, line 1: delete lines 1 to 10, as affected by senate amendment 121
7 to senate substitute amendment 1.

8 4. Page 595, line 9: delete lines 9 to 25.

9 5. Page 596, line 1: delete lines 1 to 25, as affected by senate amendment 121
10 to senate substitute amendment 1.

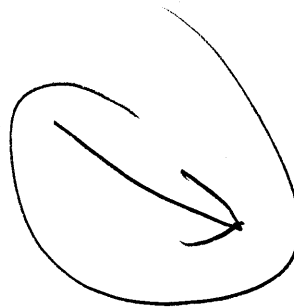
11 6. Page 597, line 1: delete lines 1 to 25.



1 **7.** Page 598, line 1: delete lines 1 to 6, as affected by senate amendment 121
2 to senate substitute amendment 1.

3

and substitute
~~END~~ *JM* *FNS2*



1 **8.** Page 438, line 2: before “levy” insert “operating”.

2 **9.** Page 438, line 3: delete “a levy” and substitute “an operating levy”.

3 **10.** Page 438, line 5: delete “a levy” and substitute “an operating levy”.

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5 “(a) “Operating expenses” has the meaning given in s. 67.04 (1) (ag).”

6 **12.** Page 595, line 21: after “levy” insert “for operating expenses”.

7 **13.** Page 596, line 16: delete lines 16 to 22, as affected by senate amendment
8 121 to senate substitute amendment 1.

9 **14.** Page 597, line 15: before “levy” insert “operating”.

10 **15.** Page 597, line 16: delete “a levy” and substitute “an operating levy”.

11 **16.** Page 597, line 17: before “levy” insert “operating”.

12 **17.** Page 597, line 18: delete “a levy” and substitute “an operating levy”.

13 **18.** Page 598, line 9: after that line insert:

14 “**SECTION 1553k.** 66.1105 (6) (a) of the statutes is renumbered 66.1105 (6) (a)
15 (intro.) and amended to read:

16 66.1105 (6) (a) (intro.) If the joint review board approves the creation of the tax
17 incremental district under sub. (4m), positive tax increments with respect to a tax
18 incremental district are allocated to the city which created the district for each year
19 commencing after the date when a project plan is adopted under sub. (4) (g). The
20 department of revenue may not authorize allocation of tax increments until it
21 determines from timely evidence submitted by the city that each of the procedures
22 and documents required under sub. (4) (d) to (f) has been completed and all related
23 notices given in a timely manner. The department of revenue may authorize

1 allocation of tax increments for any tax incremental district only if the city clerk and
2 assessor annually submit to the department all required information on or before the
3 2nd Monday in June. The facts supporting any document adopted or action taken
4 to comply with sub. (4) (d) to (f) are not subject to review by the department of revenue
5 under this paragraph. After the allocation of tax increments is authorized, the
6 department of revenue shall annually authorize allocation of the tax increment to
7 the city that created the district until the soonest of the following:

8 1. The department of revenue receives a notice under sub. (8) and the notice
9 has taken effect under sub. (8) (b), ~~27.~~

10 2. Thirty years after the tax incremental district is created if the district is
11 created before October 1, 1995, ~~38.~~

12 3. Thirty-eight years after the tax incremental district is created if the district
13 is created before October 1, 1995, and the project plan is amended under sub. (4) (h)
14 ~~3. or 23~~

15 4. Twenty-six years after the tax incremental district is created if the district
16 is created after September 30, 1995, ~~whichever is sooner.~~

17 **SECTION 1533m.** 66.1105 (6) (am) 1. of the statutes is amended to read:

18 66.1105 (6) (am) 1. For a tax incremental district that is created after
19 September 30, 1995, no expenditure may be made later than ~~7~~ 10 years after the tax
20 incremental district is created, and for a tax incremental district that is created
21 before October 1, 1995, no expenditure may be made later than ~~10~~ 13 years after the
22 tax incremental district is created, except that, for a tax incremental district that is
23 created before October 1, 1995, and which receives tax increments under par. (d), no
24 expenditure may be made later than 12 years after the tax incremental district is
25 created.

1 SECTION 1533s. 66.1105 (7) (am) of the statutes is amended to read:

2 66.1105 (7) (am) ~~Sixteen~~ Nineteen years after the last expenditure identified
3 in the project plan is made if the district to which the plan relates is created after
4 September 30, 1995, or ~~20~~ 23 years after the last expenditure identified in the project
5 plan is made if the district to which the plan relates is created before October 1, 1995,
6 except that in no case may the total number of years during which expenditures are
7 made under sub. (6) (am) 1. plus the total number of years during which tax
8 increments are allocated under ~~this paragraph~~ sub. (6) (a) exceed ~~27~~ 30 years.”.

9 (END)

D-note

This amendment yanks the levy limits,
replaces it with operating ^{levy} limits, and
increases by 3 years the expenditure period,
life, and allocation period for tax
incremental districts.

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~~meal or 50 cents per meal, whichever is less. Any cost in excess of the lesser amount may be charged to participants. If the department of public instruction approves the claim, it shall certify that payment is due and the state treasurer secretary of administration shall pay the claim from the appropriation under s. 20.255 (2) (cn).~~

SECTION 942. 38.04 (19) of the statutes is repealed.

SECTION 943. 38.04 (28) of the statutes is created to read:

38.04 (28) HEALTH CARE EDUCATION PROGRAMS. From the appropriation under s. 20.292 (1) (ch), the board shall award grants to district boards to expand health care education programs.

SECTION 943^{em}. 38.17 of the statutes is created to read:

"operating expenses" has the meaning given in s. 67.04(1) (ag)

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

(2) LIMIT. Except as provided in subs. (3) and (4), no district board may increase its levy for ^{operating expenses for} any fiscal year to an amount that exceeds its levy ^{for operating expenses} for the previous fiscal year multiplied by 1.026.

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

(b) (2) If a district board increases the services that it provides by adding responsibility for providing a service transferred to it from another governmental unit that provided the service in the previous fiscal year, the limit otherwise

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1 applicable under sub. (2) in the current fiscal year is increased by the cost of that
2 service, as determined by the department of revenue.

3 ~~(b) If the amount of debt service for a district board in the preceding fiscal year
4 is less than the amount of debt service needed in the current fiscal year, as a result
5 of the district board adopting a resolution before the effective date of this paragraph
6 . [revison inserts date] July 1, 2003 authorizing the issuance of debt, the limit otherwise
7 applicable under sub. (2) for the current fiscal year is increased by the difference
8 between the 2 amounts, as determined by the department of revenue.~~ 50699

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

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

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

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

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

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1 (a). The question shall be submitted as follows: "Under state law, the percentage
2 increase in the ^{operating} levy of the..... (name of district), for the next fiscal year, (year), is
3 limited to%, resulting in ^{an operating} a levy of \$..... Shall the (name of district) be allowed
4 to exceed this limit such that the percentage increase for the next fiscal year,
5 (year), will be%, resulting in ^{an operating} a levy of \$....?"

revisor
inserts

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

effective date of this
subsection...
date?

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(5) SUNSET. This section does not apply ^{beginning 3 years after the} after June 30, 2006.

INSERT
7/13/06

SECTION 944. 38.28 (1m) (a) 1. of the statutes is amended to read:

END:INS

38.28 (1m) (a) 1. "District aidable cost" means the annual cost of operating a technical college district, including debt service charges for district bonds and promissory notes for building programs or capital equipment, but excluding all expenditures relating to auxiliary enterprises and community service programs, all expenditures funded by or reimbursed with federal revenues, all receipts under sub. (6) and ss. 38.12 (9), 38.14 (3) and (9), 118.15 (2) (a), 118.55 (7r), and 146.55 (5), all receipts from grants awarded under ss. 38.04 (8), (19), (20), (28), and (31), 38.14 (11), 38.26, 38.27, 38.31, 38.33, and 38.38, all fees collected under s. 38.24, and driver education and chauffeur training aids.

SECTION 945. 38.31 of the statutes is repealed.

SECTION 946. 38.36 (6) of the statutes is amended to read:

38.36 (6) The district board may file a claim with the department of public instruction for reimbursement for reasonable expenses incurred, excluding capital equipment costs, but not to exceed 15% of the cost of the meal or 50 cents per meal,

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1 under chs. 74 and 75 or as is a delinquent personal property tax under ch. 74. In case
 2 of railroad lands or other lands for which taxes are not collected under ch. 74, the
 3 amount chargeable against these lands shall be certified by the town, village, or city
 4 clerk to the state treasurer secretary of administration who shall add the amount
 5 designated to the sum due from the company owning, occupying, or controlling the
 6 lands specified. The state treasurer secretary of administration shall collect the
 7 amount chargeable as prescribed in subch. I of ch. 76 and return the amount collected
 8 to the town, city, or village from which the certification was received.

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

10 66.0602 Local levy limits. (1) DEFINITIONS. In this section:

11 (a) *"Operating expenses" has the meaning given in S. 67.04 (1) (ag).*
 12 ~~"Debt service" includes debt service on debt issued or reissued to fund or~~
 13 ~~refund outstanding municipal or county obligations, interest on outstanding~~
 14 ~~municipal or county obligations, and related issuance costs and redemption~~
 15 ~~premiums.~~

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

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

21 (2) LEVY LIMIT. Except as provided in subs. (3), (4), and (5), no political
 22 subdivision may increase its levy *for operating expenses* in any year by a percentage that exceeds the
 23 political subdivision's valuation factor.

24 (3) EXCEPTIONS. (a) If a political subdivision transfers to another governmental
 25 unit responsibility for providing any service that the political subdivision provided
 in the preceding year, the levy increase limit otherwise applicable under this section

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1 to the political subdivision in the current year is decreased to reflect the cost that the
2 political subdivision would have incurred to provide that service, as determined by
3 the department of revenue.

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

~~... [scribble] ...~~

10 *st et leave as typed* (c) If a city or village annexes territory from a town, the city's or village's levy
11 increase limit otherwise applicable under this section is increased in the current year
12 by an amount equal to the town levy on the annexed territory in the preceding year
13 and the levy increase limit otherwise applicable under this section in the current
14 year for the town from which the territory is annexed is decreased by that same
15 amount, as determined by the department of revenue.

16 (d) If the amount of debt service for a political subdivision in the preceding year
17 is less than the amount of debt service needed in the current year, as a result of the
18 political subdivision adopting a resolution before the effective date of this paragraph
19 *July 1, 2003* [revisor inserts date], authorizing the issuance of debt, the levy increase limit
20 otherwise applicable under this section to the political subdivision in the current
21 year is increased by the difference between these two amounts, as determined by the
22 department of revenue.

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23 (4) REFERENDUM EXCEPTION. (a) A political subdivision may exceed the levy
24 increase limit under sub. (2) if its governing body adopts a resolution to that effect
25 and if the resolution is approved in a referendum. The resolution shall specify the

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1 proposed amount of increase in the levy beyond the amount that is allowed under
2 sub. (2). With regard to a referendum relating to the 2003 or 2005 levy, the political
3 subdivision may call a special referendum for the purpose of submitting the
4 resolution to the electors of the political subdivision for approval or rejection. With
5 regard to a referendum relating to the 2004 levy, the referendum shall be held at the
6 next succeeding spring primary or election or September primary or general election.

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

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

14 (a). The question shall be submitted as follows: "Under state law, the increase in the
15 ^{operating} levy of the (name of political subdivision) for the tax to be imposed for the next
16 fiscal year, (year), is limited to%, which results in ^{an operating} a levy of \$.... Shall the
17 (name of political subdivision) be allowed to exceed this limit and increase the ^{operating} levy
18 for the next fiscal year, (year), by a total of%, which results in ^{an operating} a levy of \$....?"

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

24 (5) EXCEPTION, CERTAIN TOWNS. A town with a population of less than 2,000 may
25 exceed the levy increase limit otherwise applicable under this section to the town if

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revisor inserts

1 the annual town meeting adopts a resolution to that effect. The limit otherwise
2 applicable to the town under sub. (2) is increased in the next fiscal year by the
3 percentage approved by a majority of those voting on the question. Within 14 days
4 after the adoption of the resolution, the town clerk shall certify the results of the vote
5 to the department of revenue.

beginning 3 years after the effective date of the subsection... [unclear] date.

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60699
1/12/1

6 (6) SUNSET. This section does not apply after June 30, 2004.

7 SECTION 1533d. 66.1001 (4) (b) 4. of the statutes is amended to read:

8 66.1001 (4) (b) 4. After September 1, 2003 2005, the department of
9 administration.

10 SECTION 1534. 69.14 (1) (cm) of the statutes is amended to read:

11 69.14 (1) (cm) *Information concerning paternity.* For a birth which occurs en
12 route to or at a hospital, the filing party shall give the mother a copy of the pamphlet
13 under s. 69.03 (14). If the child's parents are not married at the time of the child's
14 birth, the filing party shall give the mother a copy of the form prescribed by the state
15 registrar under s. 69.15 (3) (b) 3. The filing party shall ensure that trained,
16 designated hospital staff provide to the child's available parents oral information or
17 an audio or video presentation and written information about the form and the
18 significance and benefits of, and alternatives to, establishing paternity, before the
19 parents sign the form. The filing party shall also provide an opportunity to complete
20 the form and have the form notarized in the hospital. If the mother provides a
21 completed form to the filing party while she is a patient in the hospital and within
22 5 days after the birth, the filing party shall send the form directly to the state
23 registrar. ~~From the appropriation under s. 20.445 (3) (dz), the~~ The department of
24 workforce development shall pay the filing party a financial incentive for correctly
25 filing a form within 60 days after the child's birth.

END of INS 2

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0725/2dn
MES:cs:kjf

June 19, 2003

This amendment yanks the levy limits, replaces it with operating levy limits, and increases by 3 years the expenditure period, life, and tax increment allocation period for tax incremental districts.

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