

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 58**

1 **AN ACT** *to amend* 121.91 (2m) (e) (intro.), 121.91 (2m) (r) 1. (intro.), 121.91 (2m)
2 (r) 2. (intro.) and 121.91 (4) (f); and *to create* 38.17, 66.0602, 121.91 (2m) (f) and
3 121.91 (2m) (g) of the statutes; **relating to:** school district revenue limits and
4 levy limits for cities, villages, towns, counties, and technical college districts.

Analysis by the Legislative Reference Bureau

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

5 **SECTION 1.** 38.17 of the statutes is created to read:

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

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

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

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

14 (b) 1. If the amount of debt service for a district board in the preceding fiscal
15 year is less than the amount of debt service needed in the current fiscal year, as a
16 result of the district board adopting a resolution before July 1, 2005, authorizing the
17 issuance of debt, the limit otherwise applicable under sub. (2) for the current fiscal
18 year is increased by the difference between the 2 amounts, as determined by the
19 department of revenue.

20 2. The limit otherwise applicable under this section does not apply to amounts
21 levied by a district board for the payment of any general obligation debt service,
22 including debt service on debt issued or reissued to fund or refund outstanding
23 municipal obligations, interest on outstanding municipal obligations, or the
24 payment of related issuance costs or redemption premiums, authorized on or after
25 July 1, 2005, by a referendum and secured by the full faith and credit of the district.

1 **(4) REFERENDUM.** (a) 1. A district board may exceed the levy limit under sub.
2 (2) if it adopts a resolution to that effect and the resolution is approved in a
3 referendum. The resolution shall specify the proposed amount of increase in the levy
4 beyond the amount that is allowed under sub. (2), and shall also specify whether the
5 proposed amount of increase is for the next fiscal year only or if it will apply on an
6 ongoing basis.

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

10 3. A referendum to exceed the limit under sub. (2) for the levy for the 2006–07
11 fiscal year shall be held at the spring primary or election or September primary or
12 general election in 2006.

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

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

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

1 (d) Within 14 days after the referendum, the district board shall certify the
2 results of the referendum to the department of revenue. The limit otherwise
3 applicable to the district under sub. (2) is increased for the next fiscal year by the
4 amount approved by a majority of those voting on the question. If the resolution
5 specifies that the increase is for one year only, the amount of the increase shall be
6 subtracted from the base used to calculate the limit for the 2nd succeeding fiscal year.

7 (5) SUNSET. This section does not apply beginning 3 years after the effective
8 date of this subsection [revisor inserts date].

9 SECTION 2. 66.0602 of the statutes is created to read:

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

11 (a) “Debt service” includes debt service on debt issued or reissued to fund or
12 refund outstanding municipal or county obligations, interest on outstanding
13 municipal or county obligations, and related issuance costs and redemption
14 premiums.

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

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

20 (2) LEVY LIMIT. Except as provided in subs. (3), (4), and (5), no political
21 subdivision may increase its levy in any year by a percentage that exceeds the
22 political subdivision’s valuation factor. In determining its levy in any year, a city,
23 village, or town shall subtract any tax increment that is calculated under s. 60.85 (1)
24 (L) or 66.1105 (2) (i).

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

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

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

19 (d) 1. If the amount of debt service for a political subdivision in the preceding
20 year is less than the amount of debt service needed in the current year, as a result
21 of the political subdivision adopting a resolution before July 1, 2005, authorizing the
22 issuance of debt, the levy increase limit otherwise applicable under this section to the
23 political subdivision in the current year is increased by the difference between these
24 2 amounts, as determined by the department of revenue.

1 2. The limit otherwise applicable under this section does not apply to amounts
2 levied by a political subdivision for the payment of any general obligation debt
3 service, including debt service on debt issued or reissued to fund or refund
4 outstanding obligations of the political subdivision, interest on outstanding
5 obligations of the political subdivision, or the payment of related issuance costs or
6 redemption premiums, authorized on or after July 1, 2005, by a referendum and
7 secured by the full faith and credit of the political subdivision.

8 (e) The limit otherwise applicable under this section does not apply to the
9 amount that a county levies in that year for a county children with disabilities
10 education board.

11 (f) The limit otherwise applicable under this section does not apply to the
12 amount that a 1st class city levies for school purposes.

13 **(4) REFERENDUM EXCEPTION.** (a) A political subdivision may exceed the levy
14 increase limit under sub. (2) if its governing body adopts a resolution to that effect
15 and if the resolution is approved in a referendum. The resolution shall specify the
16 proposed amount of increase in the levy beyond the amount that is allowed under
17 sub. (2), and shall specify whether the proposed amount of increase is for the next
18 fiscal year only or if it will apply on an ongoing basis. With regard to a referendum
19 relating to the 2005 or 2007 levy, the political subdivision may call a special
20 referendum for the purpose of submitting the resolution to the electors of the political
21 subdivision for approval or rejection. With regard to a referendum relating to the
22 2006 levy, the referendum shall be held at the next succeeding spring primary or
23 election or September primary or general election.

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

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

6 The 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 increase in the
9 levy of the (name of political subdivision) for the tax to be imposed for the next
10 fiscal year, (year), is limited to%, which results in a levy of \$.... Shall the
11 (name of political subdivision) be allowed to exceed this limit and increase the levy
12 for the next fiscal year, (year), by a total of%, which results in a levy of \$....?”.

13 (d) Within 14 days after the referendum, the clerk of the political subdivision
14 shall certify the results of the referendum to the department of revenue. The levy
15 increase limit otherwise applicable to the political subdivision under sub. (2) is
16 increased in the next fiscal year by the percentage approved by a majority of those
17 voting on the question. If the resolution specifies that the increase is for one year
18 only, the amount of the increase shall be subtracted from the base used to calculate
19 the limit for the 2nd succeeding fiscal year.

20 **(5) EXCEPTION, CERTAIN TOWNS.** A town with a population of less than 2,000 may
21 exceed the levy increase limit otherwise applicable under this section to the town if
22 the annual town meeting or a special town meeting adopts a resolution to that effect.
23 The limit otherwise applicable to the town under sub. (2) is increased in the next
24 fiscal year by the percentage approved by a majority of those voting on the question.

1 Within 14 days after the adoption of the resolution, the town clerk shall certify the
2 results of the vote to the department of revenue.

3 **(6) SUNSET.** This section does not apply beginning 3 years after the effective
4 date of this subsection [revisor inserts date].

5 **SECTION 2m.** 70.58 of the statutes is renumbered 70.58 (1) and amended to
6 read:

7 **70.58 (1)** ~~There~~ Except as provided in sub. (2), there is levied an annual tax of
8 two-tenths of one mill for each dollar of the assessed valuation of the property of the
9 state as determined by the department of revenue under s. 70.57, for the purpose of
10 acquiring, preserving and developing the forests of the state and for the purpose of
11 forest crop law and county forest law administration and aid payments, for grants
12 to forestry cooperatives under s. 36.56, and for the acquisition, purchase and
13 development of forests described under s. 25.29 (7) (a) and (b), the proceeds of the tax
14 to be paid into the conservation fund. The tax shall not be levied in any year in which
15 general funds are appropriated for the purposes specified in this section, equal to or
16 in excess of the amount which the tax would produce.

17 **SECTION 2n.** 70.58 (2) of the statutes is created to read:

18 **70.58 (2)** In each of 3 years beginning with the property tax assessments as of
19 January 1 of the year of the effective date of this subsection [revisor inserts date],
20 the department of revenue shall adjust the rate of the tax imposed under this section
21 so that the percentage increase from the previous year in the total amount levied
22 under this section does not exceed 2.6 percent. The rate determined by the
23 department of revenue for the property tax assessment as of January 1 of the 2nd
24 year following the effective date of this subsection [revisor inserts date], shall be
25 the rate of the tax imposed under this section for all subsequent years.

