

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

February 22, 2005 – Offered by Senators DECKER, WIRCH, ERPENBACH, LASSA,
CARPENTER, BRESKE, JAUCH, ROBSON, PLALE, HANSEN and TAYLOR.

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

3 **1.** Page 1, line 3: delete “limits and” and substitute “limits,”.

4 **2.** Page 1, line 4: after “districts” insert “, and making appropriations”.

5 **3.** Page 2, line 1: before that line insert:

6 “**SECTION 1ab.** 16.518 (title) of the statutes is amended to read:

7 **16.518 (title) Transfers to the budget stabilization fund and the cash**
8 **building projects health care quality improvement fund.**

9 **SECTION 1ad.** 16.518 (3) (b) 3. of the statutes is created to read:

10 16.518 **(3)** (b) 3. In the 2006–07 fiscal year, the secretary shall reduce any
11 amount transferred to the budget stabilization fund under par. (a) by an amount
12 necessary to ensure that the distribution on June 15, 2007, under s. 79.10 (7m) (a)
13 1. b. is made.

1 **SECTION 1am.** 16.518 (4) of the statutes is created to read:

2 16.518 (4) Notwithstanding sub. (3), if the amount of moneys projected to be
3 deposited in the general fund during the 2005–07 fiscal biennium that are
4 designated as “Taxes” in the summary is less than the amount of such moneys
5 estimated to be deposited in the general fund during that fiscal biennium, as
6 determined by the department under s. 79.10 (7m) (a) 1. b., the secretary may
7 transfer any of the excess to the health care quality improvement fund.

8 **SECTION 1b.** 20.835 (1) (c) of the statutes is amended to read:

9 20.835 (1) (c) *Expenditure restraint program account.* A sum sufficient to make
10 the payments under s. 79.05. No moneys may be encumbered or expended from this
11 appropriation after December 31, 2006.

12 **SECTION 1c.** 20.835 (1) (cb) of the statutes is created to read:

13 20.835 (1) (cb) *Municipal levy restraint payment account.* Beginning in 2007,
14 a sum sufficient to make the payments to municipalities under s. 79.051 (4) (a).

15 **SECTION 1d.** 20.835 (1) (cd) of the statutes is created to read:

16 20.835 (1) (cd) *Municipal levy restraint bonus payment account.* Beginning in
17 2007, a sum sufficient to make the payments to municipalities under s. 79.051 (4) (b).

18 **SECTION 1e.** 20.835 (1) (cf) of the statutes is created to read:

19 20.835 (1) (cf) *County levy restraint payment account.* Beginning in 2007, a
20 sum sufficient to make the payments to counties under s. 79.052 (4) (a).

21 **SECTION 1f.** 20.835 (1) (cg) of the statutes is created to read:

22 20.835 (1) (cg) *County levy restraint bonus payment account.* Beginning in
23 2007, a sum sufficient to make the payments to counties under s. 79.052 (4) (b).”.

24 **4.** Page 2, line 1: delete “**SECTION 1**” and substitute “**SECTION 1m**”.

1 **5.** Page 5, line 3: delete the material beginning with that line and ending with
2 page 8, line 19, and substitute:

3 “**SECTION 2e.** 66.0602 of the statutes is created to read:

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

5 (a) “County growth factor” means a percentage equal to 60 percent of the
6 percentage change in the county’s January 1 equalized value due to new construction
7 less improvements removed between the year before the previous year and the
8 previous year, but not less than zero.

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

13 (c) “Inflation factor” means a percentage equal to the average annual
14 percentage change in the U.S. consumer price index for all urban consumers, U.S.
15 city average, as determined by the U.S. department of labor, for the 12 months
16 ending on June 30 of the year in which property tax bills are mailed under s. 74.09
17 (5).

18 (d) “Members–elect” has the meaning given in s. 59.001 (2m).

19 (e) “Municipal growth factor” means a percentage equal to 60 percent of the
20 percentage change in the region’s January 1 equalized value due to new construction
21 less improvements removed between the year before the previous year and the
22 previous year, but not less than zero.

23 (f) “Municipality” means a city, village, or town.

24 (g) “Political subdivision” means a city, village, town, or county.

1 (h) “Region” means any of the following areas to which a municipality is
2 assigned by the department of revenue, according to the county in which the
3 municipality is located, except that, if the municipality is located in more than one
4 county, the municipality is considered to be located in the county that has the greater
5 taxable value:

6 1. Region 1, consisting of the counties of Brown, Door, Florence, Kewaunee,
7 Manitowoc, Marinette, Oconto, and Sheboygan.

8 2. Region 2, consisting of the counties of Calumet, Fond du Lac, Green Lake,
9 Marquette, Menominee, Outagamie, Shawano, Waupaca, Waushara, and
10 Winnebago.

11 3. Region 3, consisting of the counties of Buffalo, Crawford, Jackson, La Crosse,
12 Monroe, Pepin, Pierce, Trempealeau, and Vernon.

13 4. Region 4, consisting of the counties of Adams, Forest, Juneau, Langlade,
14 Lincoln, Marathon, Oneida, Portage, Vilas, and Wood.

15 5. Region 5, consisting of the counties of Ashland, Bayfield, Burnett, Douglas,
16 Iron, Price, Rusk, Sawyer, Taylor, and Washburn.

17 6. Region 6, consisting of the counties of Columbia, Dane, Dodge, Jefferson,
18 Rock, and Sauk.

19 7. Region 7, consisting of the counties of Kenosha, Milwaukee, Ozaukee,
20 Racine, Walworth, Washington, and Waukesha.

21 8. Region 8, consisting of the counties of Grant, Green, Iowa, Lafayette, and
22 Richland.

23 9. Region 9, consisting of the counties of Barron, Chippewa, Clark, Dunn, Eau
24 Claire, Polk, and St. Croix.

1 **(2) LEVY LIMIT.** (a) Except as provided in subs. (3), (4), and (5), no municipality
2 may increase its levy in any year by a percentage that exceeds the sum of the inflation
3 factor and the municipal growth factor. In determining its levy in any year, a city,
4 village, or town shall subtract any tax increment that is calculated under s. 60.85 (1)
5 (L) or 66.1105 (2) (i).

6 (b) Except as provided in subs. (3), (4), and (5), no county may increase its levy
7 in any year by a percentage that exceeds the sum of the inflation factor and the
8 county growth factor.

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

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

21 (c) If a city or village annexes territory from a town, the city's or village's levy
22 increase limit otherwise applicable under this section is increased in the current year
23 by an amount equal to the city's or village's mill rate applied to the current assessed
24 value of the annexed territory, and the levy increase limit otherwise applicable under
25 this section in the current year for the town from which the territory is annexed is

1 decreased by the town's mill rate applied to the assessed value of the annexed
2 territory as of the last year that the territory was subject to taxation by the town, as
3 determined by the department of revenue.

4 (d) The limit otherwise applicable under this section does not apply to amounts
5 levied by a political subdivision for the payment of any general obligation debt
6 service, including debt service on debt issued or reissued to fund or refund
7 outstanding obligations of the political subdivision, interest on outstanding
8 obligations of the political subdivision, or the payment of related issuance costs or
9 redemption premiums, secured by the full faith and credit of the political
10 subdivision.

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

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

16 (g) If in any year a political subdivision's distribution under s. 79.043 (5) is less
17 than the political subdivision's distribution under s. 79.043 (5) in the previous year,
18 the limit otherwise applicable under this section shall be increased to reflect the
19 reduction in the distribution.

20 **(4) REFERENDUM EXCEPTION.** (a) A political subdivision may exceed the levy
21 increase limit under sub. (2) if its governing body adopts a resolution to that effect
22 and the resolution is approved in a referendum.

23 (b) The resolution under par. (a) shall specify the proposed amount of increase
24 in the levy beyond the amount that is allowed under sub. (2). The political
25 subdivision may either call a special referendum for the purpose of submitting the

1 resolution to the electors of the political subdivision for approval or rejection or the
2 referendum may be held at the next succeeding spring primary or election or
3 September primary or general election, if such election is to be held not sooner than
4 42 days after the resolution is adopted.

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

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

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

17 (e) Within 14 days after the referendum, the clerk of the political subdivision
18 shall certify the results of the referendum to the department of revenue.

19 (f) The levy increase limit otherwise applicable to the political subdivision
20 under sub. (2) is increased in the next fiscal year by the percentage approved by a
21 majority of those voting on the question under par. (d).

22 **(5) EXCEPTION, CERTAIN TOWNS.** A town with a population of less than 2,000 may
23 exceed the levy increase limit otherwise applicable under this section to the town if
24 the annual town meeting or a special town meeting adopts a resolution to that effect.
25 The limit otherwise applicable to the town under sub. (2) is increased in the next

1 fiscal year by the percentage approved by a majority of those voting on the question.
2 Within 14 days after the adoption of the resolution, the town clerk shall certify the
3 results of the vote to the department of revenue.

4 **(6) REPORTING REQUIREMENTS.** The department of revenue may promulgate
5 rules relating to a political subdivision reporting its debt service levy and nondebt
6 service levy to the department.

7 **(7) SUNSET.** This section does not apply to a property tax levy that is imposed
8 after December 2006.”.

9 **6.** Page 8, line 19: after that line delete the material inserted by assembly
10 amendment 1 and substitute:

11 **“SECTION 2f.** 79.01 (1) of the statutes is amended to read:

12 79.01 **(1)** There is established an account in the general fund entitled the
13 “Expenditure Restraint Program Account.” There shall be appropriated to that
14 account \$25,000,000 in 1991, in 1992, and in 1993; \$42,000,000 in 1994; \$48,000,000
15 in each year beginning in 1995 and ending in 1999; \$57,000,000 in the year 2000 and
16 in the year 2001; \$57,570,000 in 2002; and \$58,145,700 in 2003 and in each year
17 thereafter, ending in 2006.

18 **SECTION 2g.** 79.01 (5) of the statutes is created to read:

19 79.01 **(5)** There is established an account in the general fund entitled the
20 “County Levy Restraint Payment Account.” There shall be appropriated to that
21 account \$25,000,000 in 2007 and in each year thereafter.

22 **SECTION 2h.** 79.01 (5b) of the statutes is created to read:

1 79.01 **(5b)** There is established an account in the general fund entitled the
2 “Municipal Levy Restraint Payment Account.” There shall be appropriated to that
3 account \$58,145,700 in 2007 and in each year thereafter.

4 **SECTION 2i.** 79.01 (6) of the statutes is created to read:

5 79.01 **(6)** There is established an account in the general fund entitled the
6 “County Levy Restraint Bonus Payment Account.” There shall be appropriated to
7 that account \$10,000,000 in 2007 and in each year thereafter.

8 **SECTION 2j.** 79.01 (6b) of the statutes is created to read:

9 79.01 **(6b)** There is established an account in the general fund entitled the
10 “Municipal Levy Restraint Bonus Payment Account.” There shall be appropriated
11 to that account \$10,000,000 in 2007 and in each year thereafter.

12 **SECTION 2k.** 79.015 of the statutes is amended to read:

13 **79.015 Statement of estimated payments.** The department of revenue, on
14 or before September 15 of each year, shall provide to each municipality and county
15 a statement of estimated payments to be made in the next calendar year to the
16 municipality or county under ss. 79.03, 79.035, 79.04, 79.05, 79.051, 79.052, 79.058,
17 and 79.06.

18 **SECTION 2L.** 79.02 (2) (b) of the statutes is amended to read:

19 79.02 **(2)** (b) Subject to ss. 59.605 (4) and 70.995 (14) (b), payments in July shall
20 equal 15% of the municipality’s or county’s estimated payments under ss. 79.03,
21 79.035, 79.04, 79.058, and 79.06 and 100% of the municipality’s or county’s estimated
22 payments under ~~s. ss.~~ ss. 79.05, 79.051, and 79.052.

23 **SECTION 2Lx.** 79.043 (4) of the statutes is amended to read:

1 79.043 (4) Except as provided under s. 79.02 (3) (e), beginning in 2004 the total
2 amount to be distributed each year to municipalities from the aid account is
3 ~~\$703,102,200~~ \$702,483,300.

4 **SECTION 2m.** 79.05 (7) of the statutes is created to read:

5 79.05 (7) Beginning in 2007, no municipality may receive a payment under this
6 section.

7 **SECTION 2n.** 79.051 of the statutes is created to read:

8 **79.051 Municipal levy restraint program. (1) DEFINITIONS.** In this section:

9 (ad) “Debt service” includes debt service on debt issued or reissued to fund or
10 refund outstanding municipal obligations, interest on outstanding municipal
11 obligations, and related issuance costs and redemption premiums.

12 (am) “Inflation factor” means a percentage equal to the average annual
13 percentage change in the U.S. consumer price index for all urban consumers, U.S.
14 city average, as determined by the U.S. department of labor, for the 12 months
15 ending on June 30 of the year before the statement under s. 79.015.

16 (b) “Maximum allowable levy” means the municipal tax levy for the year before
17 the statement under s. 79.015, as adjusted under sub. (5), multiplied by the sum of
18 one plus 85 percent of the inflation factor and 85 percent of the valuation factor,
19 rounded to the nearest 0.01 percent.

20 (c) “Municipal tax levy” means the amounts reported as the total taxes levied
21 for each town, village, or city on the statement of taxes filed with the department of
22 revenue under s. 73.10, not including the incremental levy for municipal tax
23 incremental financing districts and the incremental levy for county environmental
24 tax financing districts.

1 (d) “Municipal tax rate” means the municipal tax levy divided by the taxable
2 value.

3 (e) “Region” means any of the following areas to which a municipality is
4 assigned, for purposes of determining the eligibility for and the amount of the
5 payments under this subsection, according to the county in which the municipality
6 is located, except that if the municipality is located in more than one county, the
7 municipality is considered, for purposes of determining the eligibility for and the
8 amount of the payments under this subsection, to be located in the county that has
9 the greater taxable value:

10 1. Region 1, consisting of the counties of Brown, Door, Florence, Kewaunee,
11 Manitowoc, Marinette, Oconto, and Sheboygan.

12 2. Region 2, consisting of the counties of Calumet, Fond du Lac, Green Lake,
13 Marquette, Menominee, Outagamie, Shawano, Waupaca, Waushara, and
14 Winnebago.

15 3. Region 3, consisting of the counties of Buffalo, Crawford, Jackson, La Crosse,
16 Monroe, Pepin, Pierce, Trempealeau, and Vernon.

17 4. Region 4, consisting of the counties of Adams, Forest, Juneau, Langlade,
18 Lincoln, Marathon, Oneida, Portage, Vilas, and Wood.

19 5. Region 5, consisting of the counties of Ashland, Bayfield, Burnett, Douglas,
20 Iron, Price, Rusk, Sawyer, Taylor, and Washburn.

21 6. Region 6, consisting of the counties of Columbia, Dane, Dodge, Jefferson,
22 Rock, and Sauk.

23 7. Region 7, consisting of the counties of Kenosha, Milwaukee, Ozaukee,
24 Racine, Walworth, Washington, and Waukesha.

1 8. Region 8, consisting of the counties of Grant, Green, Iowa, Lafayette, and
2 Richland.

3 9. Region 9, consisting of the counties of Barron, Chippewa, Clark, Dunn, Eau
4 Claire, Polk, and St. Croix.

5 (f) “Taxable value” means, for a municipality, the equalized assessed value of
6 all property located in the municipality, as determined under s. 70.57, excluding the
7 value of any tax increments under s. 66.1105, and, for a county, the equalized
8 assessed value of all property located in the county, as determined under s. 70.57,
9 excluding the value of any tax increments under s. 66.1105.

10 (g) “Valuation factor” means a percentage equal to 60 percent of the percentage
11 change in the region’s equalized value under s. 70.57 due to new construction less
12 improvements removed between the year before the statement under s. 79.015 and
13 the previous year, but not less than zero nor greater than 2.

14 **(2) ELIGIBILITY.** A municipality is eligible to receive a payment under sub. (4)
15 if it fulfills all of the following requirements:

16 (a) The municipality’s municipal tax rate for the year before the statement
17 under s. 79.015 is greater than 5 mills.

18 (b) The municipality’s municipal tax levy for the year of the statement under
19 s. 79.015 is no greater than the municipality’s maximum allowable levy.

20 **(3) CONSUMER PRICE INDEX.** Annually, on August 1, the department of revenue
21 shall certify to the joint committee on finance the appropriate percentage change in
22 the consumer price index that is to be used to determine the inflation factor.

23 **(4) PAYMENTS.** (a) Beginning in 2007, each municipality that is eligible under
24 sub. (2) shall receive a payment calculated by the department of revenue as follows:

25 1. Subtract 5 mills from the municipality’s municipal tax rate.

1 2. Multiply the amount determined under subd. 1. by the municipality's
2 taxable value.

3 3. Divide the amount determined under subd. 2. by the total of the amounts
4 under subd. 2. for all municipalities that are eligible for a payment under sub. (2).

5 4. Multiply the amount determined under subd. 3. by \$58,145,700.

6 (b) Each municipality that is eligible under sub. (2) shall receive an additional
7 payment calculated by the department of revenue as follows:

8 1. Subtract the municipal tax levy, as determined under par. (a) 1., from the
9 municipality's maximum allowable levy.

10 2. Divide the amount determined under subd. 1. by the total of the amounts
11 under subd. 1. for all municipalities that are eligible for a payment under sub. (2).

12 3. Multiply the amount determined under subd. 2. by \$10,000,000.

13 **(5) ADJUSTMENTS.** For purposes of determining eligibility for and the amount
14 of the payments under this section:

15 (a) If a municipality transfers to another governmental unit responsibility for
16 providing any service that the municipality provided in the preceding year, its
17 municipal tax levy for the preceding year shall be decreased to reflect the amount
18 that the municipality levied to provide that service, as determined by the department
19 of revenue.

20 (b) If a municipality increases the services that it provides by adding
21 responsibility for providing a service transferred to it from another governmental
22 unit in any year, its municipal tax levy for the preceding year shall be increased to
23 reflect the cost of that service, as determined by the department of revenue.

24 (c) If in any year a municipality's distribution under s. 79.043 (5) is less than
25 the municipality's distribution under s. 79.043 (5) in the previous year, the

1 municipality's maximum allowable levy shall be increased to reflect the reduction in
2 the distribution.

3 (d) The maximum allowable levy otherwise applicable under this section does
4 not apply to amounts levied by a municipality for the payment of any general
5 obligation debt service, including debt service on debt issued or reissued to fund or
6 refund outstanding obligations of the municipality, interest on outstanding
7 obligations of the political subdivision, or the payment of related issuance costs or
8 redemption premiums, secured by the full faith and credit of the municipality.

9 **SECTION 2p.** 79.052 of the statutes is created to read:

10 **79.052 County levy restraint program. (1) DEFINITIONS.** In this section:

11 (a) "County tax levy" means the sum for all municipalities in the county of the
12 amounts reported as total county taxes levied on the statement of taxes filed with the
13 department of revenue under s. 73.10, not including any taxes levied under s.
14 115.817 (9).

15 (b) "County tax rate" means the county tax levy divided by the equalized
16 assessed value of all property located in the county, as determined under s. 70.57,
17 excluding the value of any tax increments under s. 66.1105.

18 (bm) "Debt service" includes debt service on debt issued or reissued to fund or
19 refund outstanding county obligations, interest on outstanding county obligations,
20 and related issuance costs and redemption premiums.

21 (c) "Inflation factor" means a percentage equal to the average annual
22 percentage change in the U.S. consumer price index for all urban consumers, U.S.
23 city average, as determined by the U.S. department of labor, for the 12 months
24 ending on June 30 of the year before the statement under s. 79.015.

1 (d) “Maximum allowable levy” means the county tax levy for the year before the
2 statement under s. 79.015, as adjusted under sub. (5), multiplied by the sum of one
3 plus 85 percent of the inflation factor and 85 percent of the valuation factor, rounded
4 to the nearest 0.01 percent.

5 (e) “Valuation factor” means a percentage equal to 60 percent of the percentage
6 change in the county’s equalized value under s. 70.57 due to new construction less
7 improvements removed between the year before the statement under s. 79.015 and
8 the previous year, but not less than zero nor greater than 2.

9 **(2) ELIGIBILITY.** A county is eligible to receive a payment under sub. (4) if the
10 county’s county tax levy for the year of the statement under s. 79.015 is no greater
11 than the county’s maximum allowable levy.

12 **(3) CONSUMER PRICE INDEX.** Annually, on August 1, the department of revenue
13 shall certify to the joint committee on finance the appropriate percentage change in
14 the consumer price index that is to be used to determine the inflation factor.

15 **(4) PAYMENTS.** (a) Beginning in 2007, each county that is eligible under sub.
16 (2) shall receive a payment calculated by the department of revenue as follows:

17 1. Determine the county tax levy for the county.

18 2. Divide the amount determined under subd. 1. by the total of the amounts
19 under subd. 1. for all counties that are eligible for a payment under sub. (2).

20 3. Multiply the amount determined under subd. 2. by \$25,000,000.

21 (b) Beginning in 2007, each county that is eligible under sub. (2) shall receive
22 an additional payment calculated by the department of revenue as follows:

23 1. Subtract the county tax levy, as determined under par. (a) 1., from the
24 county’s maximum allowable levy.

1 2. Divide the amount determined under subd. 1. by the total of the amounts
2 under subd. 1. for all counties that are eligible for a payment under sub. (2).

3 3. Multiply the amount determined under subd. 2. by \$10,000,000.

4 **(5) ADJUSTMENTS.** For purposes of determining eligibility for and the amount
5 of the payments under this section:

6 (a) If a county transfers to another governmental unit responsibility for
7 providing any service that the county provided in the preceding year, its county tax
8 levy for the preceding year shall be decreased to reflect the amount that the county
9 levied to provide that service, as determined by the department of revenue.

10 (b) If a county increases the services that it provides by adding responsibility
11 for providing a service transferred to it from another governmental unit in any year,
12 its county tax levy for the preceding year shall be increased to reflect the cost of that
13 service, as determined by the department of revenue.

14 (c) If in any year a county's distribution under s. 79.043 (5) is less than the
15 county's distribution under s. 79.043 (5) in the previous year, the county's maximum
16 allowable levy shall be increased to reflect the reduction in the distribution.

17 (d) The maximum allowable levy otherwise applicable under this section does
18 not apply to amounts levied by a county for the payment of any general obligation
19 debt service, including debt service on debt issued or reissued to fund or refund
20 outstanding obligations of the county, interest on outstanding obligations of the
21 county, or the payment of related issuance costs or redemption premiums, secured
22 by the full faith and credit of the county.

23 **SECTION 2q.** 79.095 (4) of the statutes is amended to read:

24 79.095 **(4) PAYMENT.** The department shall calculate the payments due each
25 taxing jurisdiction under this section by multiplying the full value as of the January

1 1 of the preceding year of the property that is exempt under s. 70.11 (39) and (39m)
2 and that is located in the jurisdiction by the full-value gross tax rate of the
3 jurisdiction for the preceding year. The department shall certify the amount of the
4 payment due each taxing jurisdiction to the department of administration, which
5 shall make the payments on or before the first Monday in May except that, beginning
6 in 2007, the department of administration shall make the payments on or before the
7 4th Monday in July. For purposes of ch. 121, school districts shall treat the payments
8 made in July under this subsection as if they had been received in the previous school
9 year.

10 **SECTION 2r.** 79.10 (2) of the statutes is amended to read:

11 79.10 (2) NOTICE TO MUNICIPALITIES. On or before December 1 of the year
12 preceding the ~~distribution~~ distributions under sub. (7m) (a), the department of
13 revenue shall notify the clerk of each town, village and city of the estimated fair
14 market value, as determined under sub. (11), to be used to calculate the lottery and
15 gaming credit under sub. (5) and of the amount amounts to be distributed to it under
16 sub. (7m) (a) ~~on in~~ the following 4th Monday in July year. The anticipated receipt
17 of such ~~distribution~~ distributions shall not be taken into consideration in
18 determining the tax rate of the municipality but shall be applied as tax credits.

19 **SECTION 2s.** 79.10 (4) of the statutes is amended to read:

20 79.10 (4) SCHOOL LEVY TAX CREDIT. The amount appropriated under s. 20.835
21 (3) (b) shall be distributed to municipalities in proportion to their share of the sum
22 of average school tax levies for all municipalities, ~~as adjusted under sub. (7) except~~
23 that \$150,000,000 of the amount appropriated shall be distributed to municipalities
24 in proportion to their share of general school aids paid under s. 20.255 (2) (ac), (af),
25 and (r) in the year of notification, as determined by the department of revenue.

1 **SECTION 2sv.** 79.10 (7m) (a) 1. of the statutes is renumbered 79.10 (7m) (a) 1.
2 a. and amended to read:

3 79.10 (7m) (a) 1. a. The Except as provided in subd. 1. b., the amount
4 determined under sub. (4) shall be distributed by the department of administration
5 on the 4th Monday in July.

6 **SECTION 2t.** 79.10 (7m) (a) 1. b. of the statutes is created to read:

7 79.10 (7m) (a) 1. b. No later than September 15, 2006, the department of
8 administration shall determine whether general fund revenue during the 2005–07
9 biennium will exceed the amount of general fund revenue estimated under the
10 2005–07 biennial budget, plus any amount expended under s. 20.255 (2) (af). An
11 amount equal to the amount of any excess determined under this subd. 1. b., not to
12 exceed \$150,000,000, but reduced by the amount transferred to the health care
13 quality improvement fund under s. 16.518 (4), shall be distributed by the department
14 of administration on June 15, 2007, and on each June 15 thereafter an identical
15 amount shall be distributed, and the balance of the amount determined under sub.
16 (4) shall be distributed on the 4th Monday in July 2007, and on each 4th Monday in
17 July thereafter.

18 **SECTION 2v.** 79.10 (7m) (a) 2. of the statutes is amended to read:

19 79.10 (7m) (a) 2. The town, village or city treasurer shall settle for the amounts
20 distributed under this paragraph ~~on the 4th Monday in July~~ with the appropriate
21 county treasurer not later than August 15. Failure to settle timely under this
22 subdivision subjects the town, village or city treasurer to the penalties under s. 74.31.
23 On or before August 20, the county treasurer shall settle with each taxing
24 jurisdiction, including towns, villages and cities except 1st class cities, in the county.

25 **SECTION 2w.** 79.10 (9) (b) of the statutes is amended to read:

1 79.10 (9) (b) *Property tax relief credit.* Except as provided in ss. 79.175 and
2 79.18, every property taxpayer of the municipality having assessed property shall
3 receive a tax credit in an amount determined by applying the percentage of the
4 amount of the value of property assessed to the taxpayer to the amount of the
5 ~~distribution~~ distributions to be made to the municipality under sub. (7m) (a), as
6 stated in the December 1 notification from the department of revenue, except that
7 no taxpayer may receive a credit larger than the total amount of property taxes to
8 be paid on each parcel for which tax is levied for that year by that taxpayer.

9 **SECTION 2x.** 79.14 of the statutes is amended to read:

10 **79.14 School levy tax credit.** The appropriation under s. 20.835 (3) (b) is
11 \$319,305,000 in 1994, 1995, and 1996 ~~and is; \$469,305,000~~ beginning in 1997 and
12 ending in 2006; and \$619,305,000 in 2007 and in each year thereafter.”.

13 **7.** Page 8, line 20: before that line insert:

14 “**SECTION 2ya.** 121.905 (1) of the statutes is amended to read:

15 121.905 (1) In this section, “revenue ceiling” means \$6,900, ~~except that~~
16 ~~“revenue ceiling” means \$7,400~~ \$8,100 in the ~~2003–04~~ 2005–06 school year and
17 ~~\$7,800~~ \$8,400 in any subsequent school year.

18 **SECTION 2yb.** 121.905 (3) (b) 1. of the statutes is amended to read:

19 121.905 (3) (b) 1. Except as provided under subd. 2. and s. 121.91 (8), divide the
20 result in par. (a) 1. by the sum of the average of the number of pupils enrolled in the
21 3 previous school years and the number of pupils enrolled who were school district
22 residents and solely enrolled in a special education program provided by a county
23 children with disabilities education board program in the previous school year.”.

24 **8.** Page 8, line 20: delete the material inserted by assembly amendment 3.

1 **9.** Page 8, line 21: delete “and (4)” and substitute “and, (4), and (8)”.

2 **10.** Page 10, line 9: delete “For” and substitute “~~For~~ Except as provided in sub.
3 (8), for”.

4 **11.** Page 10, line 17: after that line insert:

5 “**SECTION 8d.** 121.91 (8) of the statutes is created to read:

6 121.91 **(8)** Beginning with the calculation of a school district’s revenue limit for
7 the 2006–07 school year, a school district’s base revenue per member under s. 121.905
8 (3) (b) 1., a school district’s revenue limit under sub. (2m), and the adjustment for
9 declining enrollment under sub. (4) (f) shall be calculated as provided in those
10 sections and with a 5–year rolling average of enrollment instead of a 3–year rolling
11 average of enrollment. The result that provides a school district with the higher
12 revenue limit is the one in effect.

13 **SECTION 8e . Appropriation changes; public instruction.**

14 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation
15 to the department of public instruction under section 20.255 (2) (ac) of the statutes,
16 as affected by the acts of 2005, the dollar amount is increased by \$285,000,000 for
17 fiscal year 2005–06 and the dollar amount is increased by \$415,000,000 for fiscal
18 year 2006–07 to increase funding for the purposes for which the appropriation is
19 made.

20 **SECTION 8m. Initial applicability; revenue.**

21 (1) MUNICIPAL AID PAYMENTS. The treatment of section 79.043 (4) of the statutes
22 first applies to payments distributed in 2005.

23 **SECTION 8s. Effective dates; public instruction.** This act takes effect on the
24 day after publication, except as follows:

