

**2005 DRAFTING REQUEST**

**Senate Amendment (SA-AB58)**

Received: 02/21/2005

Received By: jkreye

Wanted: Today

Identical to LRB:

For: Russell Decker (608) 266-2502

By/Representing: barb

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters: mshovers  
pgrant

Subject: Local Gov't - misc

Extra Copies:

Submit via email: YES

Requester's email: Sen.Decker@legis.state.wi.us

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

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Impose the levy limit provisions contained in the governor's budget

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**Instructions:**

See Attached

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**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>
/?	jkreye 02/21/2005	wjackson 02/21/2005		_____			
/1			jfrantze 02/22/2005	_____	lnorthro 02/22/2005	lnorthro 02/22/2005	

FE Sent For:

<END>

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/?	jkreye	1/1/05	2/2/05	2/2/05			
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Handwritten notes: 1/1/05, 2/2/05, 2/2/05, Pg 2

FE Sent For:

<END>

Decker's office - Barb

AB 58 — governor freeze proposal on amendments  
see 447 to 450 - JK

1701 to 1705 - JK

1708 to 1709 - JK

1251? — MES

\$850,000,000 for school aids

and provision for school levy tax credit

1717 + 1712  
JK JK

go from 3 to 5 year rolling ~~average~~ <sup>evening</sup> 1914, 1915, 1919,  
1920

1913 — ceiling change

05a0145

SENATE  
~~ASSEMBLY~~ AMENDMENT,  
~~TO ASSEMBLY SUBSTITUTE AMENDMENT 1,~~  
TO 2005 ASSEMBLY BILL 58

Tru 2-22 9AM

LPS: There are  
inserts to  
inserts.

bill as shown by  
assembly

1 At the locations indicated, amend the substitute amendment as follows:

- 2 1. Page 1, line 3: delete "limits and" and substitute "limits,".
- 3 2. Page 1, line 4: after "districts" insert ", and making appropriations".
- 4 3. Page 2, line 1: before that line insert:

INSERT  
1-4 ✓

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

6 20.835 (1) (c) *Expenditure restraint program account*. A sum sufficient to make  
7 the payments under s. 79.05. No moneys may be encumbered or expended from this  
8 appropriation after December 31, 2006.

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

10 20.835 (1) (cb) *Municipal levy restraint payment account*. Beginning in 2007,  
11 a sum sufficient to make the payments to municipalities under s. 79.051 (4) (a).

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

1           20.835 (1) (cd) *Municipal levy restraint bonus payment account*. Beginning in  
2 2007, a sum sufficient to make the payments to municipalities under s. 79.051 (4) (b).

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

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

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

7           20.835 (1) (cg) *County levy restraint bonus payment account*. Beginning in  
8 2007, a sum sufficient to make the payments to counties under s. 79.052 (4) (b).”.

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

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

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

13          **66.0602 Local levy limits.** (1) DEFINITIONS. In this section:

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

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

22          (c) “Inflation factor” means a percentage equal to the average annual  
23 percentage change in the U.S. consumer price index for all urban consumers, U.S.  
24 city average, as determined by the U.S. department of labor, for the 12 months

1 ending on June 30 of the year in which property tax bills are mailed under s. 74.09  
2 (5).

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

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

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

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

10 (h) “Region” means any of the following areas to which a municipality is  
11 assigned by the department of revenue, according to the county in which the  
12 municipality is located, except that, if the municipality is located in more than one  
13 county, the municipality is considered to be located in the county that has the greater  
14 taxable value:

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

17 2. Region 2, consisting of the counties of Calumet, Fond du Lac, Green Lake,  
18 Marquette, Menominee, Outagamie, Shawano, Waupaca, Waushara, and  
19 Winnebago.

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

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

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

1           6. Region 6, consisting of the counties of Columbia, Dane, Dodge, Jefferson,  
2 Rock, and Sauk.

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

5           8. Region 8, consisting of the counties of Grant, Green, Iowa, Lafayette, and  
6 Richland.

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

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

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

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

23           (b) If a political subdivision increases the services that it provides by adding  
24 responsibility for providing a service transferred to it from another governmental  
25 unit that provided the service in the preceding year, the levy increase limit otherwise

1 applicable under this section to the political subdivision in the current year is  
2 increased to reflect the cost of that service, as determined by the department of  
3 revenue.

4 (c) If a city or village annexes territory from a town, the city's or village's levy  
5 increase limit otherwise applicable under this section is increased in the current year  
6 by an amount equal to the city's or village's mill rate applied to the current assessed  
7 value of the annexed territory, and the levy increase limit otherwise applicable under  
8 this section in the current year for the town from which the territory is annexed is  
9 decreased by the town's mill rate applied to the assessed value of the annexed  
10 territory as of the last year that the territory was subject to taxation by the town, as  
11 determined by the department of revenue.

12 (d) The limit otherwise applicable under this section does not apply to amounts  
13 levied by a political subdivision for the payment of any general obligation debt  
14 service, including debt service on debt issued or reissued to fund or refund  
15 outstanding obligations of the political subdivision, interest on outstanding  
16 obligations of the political subdivision, or the payment of related issuance costs or  
17 redemption premiums, secured by the full faith and credit of the political  
18 subdivision.

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

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

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



1 the limit otherwise applicable under this section shall be increased to reflect the  
2 reduction in the distribution.

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

6 (b) The resolution under par. (a) shall specify the proposed amount of increase  
7 in the levy beyond the amount that is allowed under sub. (2). The political  
8 subdivision may either call a special referendum for the purpose of submitting the  
9 resolution to the electors of the political subdivision for approval or rejection or the  
10 referendum may be held at the next succeeding spring primary or election or  
11 September primary or general election, if such election is to be held not sooner than  
12 42 days after the resolution is adopted.

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

16 (d) The referendum shall be held in accordance with chs. 5 to 12. The political  
17 subdivision shall provide the election officials with all necessary election supplies.  
18 The 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 increase in the  
21 levy of the ... (name of political subdivision) for the tax to be imposed for the next  
22 fiscal year, ... (year), is limited to ...%, which results in a levy of \$.... Shall the ...  
23 (name of political subdivision) be allowed to exceed this limit and increase the levy  
24 for the next fiscal year, ... (year), by a total of ...%, which results in a levy of \$....?”

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

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

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

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

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

*Please  
Fix  
comp.*

18 **6.** Page 8, line 19: after that line insert:

*STET*  
*delete the material inserted by  
assembly amendment 1 and  
substitute*

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

20 79.01 (1) There is established an account in the general fund entitled the  
21 “Expenditure Restraint Program Account.” There shall be appropriated to that  
22 account \$25,000,000 in 1991, in 1992, and in 1993; \$42,000,000 in 1994; \$48,000,000  
23 in each year beginning in 1995 and ending in 1999; \$57,000,000 in the year 2000 and

~~INSERT 8-2~~  
1 in the year 2001; \$57,570,000 in 2002; and \$58,145,700 in 2003 and in each year  
2 thereafter, ending in 2006.

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

4 79.01 (5) There is established an account in the general fund entitled the  
5 "County Levy Restraint Payment Account." There shall be appropriated to that  
6 account \$25,000,000 in 2007 and in each year thereafter.

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

8 79.01 (5b) There is established an account in the general fund entitled the  
9 "Municipal Levy Restraint Payment Account." There shall be appropriated to that  
10 account \$58,145,700 in 2007 and in each year thereafter.

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

12 79.01 (6) There is established an account in the general fund entitled the  
13 "County Levy Restraint Bonus Payment Account." There shall be appropriated to  
14 that account \$10,000,000 in 2007 and in each year thereafter.

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

16 79.01 (6b) There is established an account in the general fund entitled the  
17 "Municipal Levy Restraint Bonus Payment Account." There shall be appropriated  
18 to that account \$10,000,000 in 2007 and in each year thereafter.

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

20 **79.015 Statement of estimated payments.** The department of revenue, on  
21 or before September 15 of each year, shall provide to each municipality and county  
22 a statement of estimated payments to be made in the next calendar year to the  
23 municipality or county under ss. 79.03, 79.035, 79.04, 79.05, 79.051, 79.052, 79.058,  
24 and 79.06.

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

1           79.02 (2) (b) Subject to ss. 59.605 (4) and 70.995 (14) (b), payments in July shall  
2 equal 15% of the municipality's or county's estimated payments under ss. 79.03,  
3 79.035, 79.04, 79.058, and 79.06 and 100% of the municipality's or county's estimated  
4 payments under ~~s. ss.~~ ss. 79.05, 79.051, and 79.052.

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

6           79.043 (4) Except as provided under s. 79.02 (3) (e), beginning in 2004 the total  
7 amount to be distributed each year to municipalities from the aid account is  
8 ~~\$703,102,200~~ \$702,483,300.

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

10          79.05 (7) Beginning in 2007, no municipality may receive a payment under this  
11 section.

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

13          **79.051 Municipal levy restraint program. (1) DEFINITIONS.** In this section:

14          (ad) "Debt service" includes debt service on debt issued or reissued to fund or  
15 refund outstanding municipal obligations, interest on outstanding municipal  
16 obligations, and related issuance costs and redemption premiums.

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

21          (b) "Maximum allowable levy" means the municipal tax levy for the year before  
22 the statement under s. 79.015, as adjusted under sub. (5), multiplied by the sum of  
23 one plus 85 percent of the inflation factor and 85 percent of the valuation factor,  
24 rounded to the nearest 0.01 percent.

1 (c) "Municipal tax levy" means the amounts reported as the total taxes levied  
2 for each town, village, or city on the statement of taxes filed with the department of  
3 revenue under s. 73.10, not including the incremental levy for municipal tax  
4 incremental financing districts and the incremental levy for county environmental  
5 tax financing districts.

6 (d) "Municipal tax rate" means the municipal tax levy divided by the taxable  
7 value.

8 (e) "Region" means any of the following areas to which a municipality is  
9 assigned, for purposes of determining the eligibility for and the amount of the  
10 payments under this subsection, according to the county in which the municipality  
11 is located, except that if the municipality is located in more than one county, the  
12 municipality is considered, for purposes of determining the eligibility for and the  
13 amount of the payments under this subsection, to be located in the county that has  
14 the greater taxable value:

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

17 2. Region 2, consisting of the counties of Calumet, Fond du Lac, Green Lake,  
18 Marquette, Menominee, Outagamie, Shawano, Waupaca, Waushara, and  
19 Winnebago.

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

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

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

1           6. Region 6, consisting of the counties of Columbia, Dane, Dodge, Jefferson,  
2 Rock, and Sauk.

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

5           8. Region 8, consisting of the counties of Grant, Green, Iowa, Lafayette, and  
6 Richland.

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

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

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

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

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

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

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

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

6           1. Subtract 5 mills from the municipality's municipal tax rate.

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

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

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

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

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

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

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

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

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

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

5 (c) If in any year a municipality's distribution under s. 79.043 (5) is less than  
6 the municipality's distribution under s. 79.043 (5) in the previous year, the  
7 municipality's maximum allowable levy shall be increased to reflect the reduction in  
8 the distribution.

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

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

16 **79.052 County levy restraint program.** (1) **DEFINITIONS.** In this section:

17 (a) "County tax levy" means the sum for all municipalities in the county of the  
18 amounts reported as total county taxes levied on the statement of taxes filed with the  
19 department of revenue under s. 73.10, not including any taxes levied under s.  
20 115.817 (9).

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



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

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

8 (d) "Maximum allowable levy" means the county tax levy for the year before the  
9 statement under s. 79.015, as adjusted under sub. (5), multiplied by the sum of one  
10 plus 85 percent of the inflation factor and 85 percent of the valuation factor, rounded  
11 to the nearest 0.01 percent.

12 (e) "Valuation factor" means a percentage equal to 60 percent of the percentage  
13 change in the county's equalized value under s. 70.57 due to new construction less  
14 improvements removed between the year before the statement under s. 79.015 and  
15 the previous year, but not less than zero nor greater than 2.

16 (2) ELIGIBILITY. A county is eligible to receive a payment under sub. (4) if the  
17 county's county tax levy for the year of the statement under s. 79.015 is no greater  
18 than the county's maximum allowable levy.

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

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

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

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 \$25,000,000.

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

6           1. Subtract the county tax levy, as determined under par. (a) 1., from the  
7 county's maximum allowable levy.

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

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

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

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

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

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

24          (d) The maximum allowable levy otherwise applicable under this section does  
25 not apply to amounts levied by a county for the payment of any general obligation

1 debt service, including debt service on debt issued or reissued to fund or refund  
2 outstanding obligations of the county, interest on outstanding obligations of the  
3 county, or the payment of related issuance costs or redemption premiums, secured  
4 by the full faith and credit of the county.

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

6 79.095 (4) PAYMENT. The department shall calculate the payments due each  
7 taxing jurisdiction under this section by multiplying the full value as of the January  
8 1 of the preceding year of the property that is exempt under s. 70.11 (39) and (39m)  
9 and that is located in the jurisdiction by the full-value gross tax rate of the  
10 jurisdiction for the preceding year. The department shall certify the amount of the  
11 payment due each taxing jurisdiction to the department of administration, which  
12 shall make the payments on or before the first Monday in May except that, beginning  
13 in 2007, the department of administration shall make the payments on or before the  
14 4th Monday in July. For purposes of ch. 121, school districts shall treat the payments  
15 made in July under this subsection as if they had been received in the previous school  
16 year.

17 7. Page 10, line 17: after that line insert:

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

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

Handwritten annotations on the left margin:  
- A circle containing "16-16" with an arrow pointing to line 16.  
- A box containing "16-16x" with an arrow pointing to line 17.  
- A box containing "16-17" with an arrow pointing to line 18.  
- A circled "X" next to line 18.



DOA:.....Ziegler - Increase in the school levy tax property tax credit  
FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**TAXATION**

**PROPERTY TAXATION**

This draft increases the total amount of the school levy property tax credits, beginning in 2007, by \$150,000,000, from \$469,305,000 to \$619,305,000 and authorizes a transfer of certain tax revenues from the general fund to the health care quality improvement fund.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

(INSERT  
1-4

2 SECTION 1. 16.518 (title) of the statutes is amended to read:

3 16.518 (title) **Transfers to the budget stabilization fund and the cash**  
4 **building projects health care quality improvement fund.**

5 SECTION 2. 16.518 (3) (b) 3. of the statutes is created to read:

16.518  
16.518



DOA:.....Ziegler, BB0221 - Low revenue ceiling adjustment

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**PRIMARY AND SECONDARY EDUCATION**

Currently, a school district with per pupil revenue below \$7,800 in any school year is exempt from school district revenue limits. This bill raises the amount to \$8,100 in the 2005-06 school year and to \$8,400 in subsequent school years.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 121.905 (1) of the statutes is amended to read:

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

(END)

#Page 8, line 20: before that line insert

INSERT A  
to  
INSERT  
16-16

16-16-2

DOA:.....Ziegler, BB0381 - Revenue limits; 3-year or 5-year calculation  
FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*  
**EDUCATION**

**PRIMARY AND SECONDARY EDUCATION**

Under current law, a school district's revenue limit is based on a three-year rolling average of its enrollment. This bill sets a school district's revenue limit at the amount calculated using a three-year or five-year rolling average of its enrollment, whichever yields the higher amount.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 16-16 121.905 (3) (b) 1. of the statutes is amended to read:

121.905 (3) (b) 1. Except as provided under subd. 2. and s. 121.91 (8), divide the result in par. (a) 1. by the sum of the average of the number of pupils enrolled in the 3 previous school years and the number of pupils enrolled who were school district

CONT. 2  
INSERT A TO 3  
INSERT 16-16 4

INSERT 1-4

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

ⓑ lam

5 SECTION 3. 16.518 (4) of the statutes is created to read:

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

12 SECTION 4. 79.10 (2) of the statutes is amended to read:

INSERT  
16-16

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

2006-07 ⓑ 26

21 SECTION 5. 79.10 (4) of the statutes is amended to read:

ⓑ 25-2400

22 79.10 (4) SCHOOL LEVY TAX CREDIT. The amount appropriated under s. 20.835  
23 (3) (b) shall be distributed to municipalities in proportion to their share of the sum  
24 of average school tax levies for all municipalities, ~~as adjusted under sub. (7) except~~  
25 that \$150,000,000 of the amount appropriated shall be distributed to municipalities

INSERT 8-2



~~add to  
IN 9225 22~~

1 in proportion to their share of general school aids paid under s. 20.255 (2) (ac), (af),  
2 and (r) in the year of notification, as determined by the department of revenue.

3 **SECTION 6.** 79.10 (7m) (a) 1. of the statutes is renumbered 79.10 (7m) (a) 1. a.  
4 and amended to read:

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

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

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

20 **SECTION 8.** 79.10 (7m) (a) 2. of the statutes is amended to read:

21 79.10 (7m) (a) 2. The town, village or city treasurer shall settle for the amounts  
22 distributed under this paragraph ~~on the 4th Monday in July~~ with the appropriate  
23 county treasurer not later than August 15. Failure to settle timely under this  
24 subdivision subjects the town, village or city treasurer to the penalties under s. 74.31.

MS.  
16-16  
Conf.

NSERS 16-16

NGERS  
16-16

1 On or before August 20, the county treasurer shall settle with each taxing  
2 jurisdiction, including towns, villages and cities except 1st class cities, in the county.

3 SECTION 9. 79.10 (9) (b) of the statutes is amended to read:

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

12 SECTION 10. 79.14 of the statutes is amended to read:

13 79.14 <sup>2x</sup> **School levy tax credit**. The appropriation under s. 20.835 (3) (b) is  
14 \$319,305,000 in 1994, 1995, and 1996 ~~and is~~; \$469,305,000 beginning in 1997 and  
15 ending in 2006; and \$619,305,000 in 2007 and in each year thereafter. ✓ ←

16

(END)

# Page 8, line 200 delete the material inserted  
by assembly amendment 30  
# Page 8, line ~~200~~ <sup>21</sup> delete "and (4)" and substitute "and (4) and (8)"

INSERT A to INSERT 16-16

end of 16-16

*16-16:3*

1 residents and solely enrolled in a special education program provided by a county  
2 children with disabilities education board program in the previous school year. *W*

*8 c5*  
3 **SECTION 2.** 121.91 (2m) (e) (intro.) of the statutes is amended to read:

4 121.91 (2m) (e) (intro.) Except as provided in subs. (3) and, (4), and (8), no  
5 school district may increase its revenues for the 1999-2000 school year or for any  
6 school year thereafter to an amount that exceeds the amount calculated as follows:

*8 cm*  
7 **SECTION 3.** 121.91 (4) (f) 1. of the statutes is amended to read:

*# Page 10, line 9 delete "for" and substitute "and"*

8 121.91 (4) (f) 1. For Except as provided in sub. (8), for the 1999-2000 school year  
9 or any school year thereafter, if the average of the number of pupils enrolled in the  
10 current and the 2 preceding school years is less than the average of the number of  
11 pupils enrolled in the 3 previous school years, the limit otherwise applicable under  
12 sub. (2m) (e) is increased by the additional amount that would have been calculated  
13 had the decline in average enrollment been 25% of what it was.

*W*  
14 **SECTION 4.** 121.91 (8) of the statutes is created to read:

15 121.91 (8) Beginning with the calculation of a school district's revenue limit for  
16 the 2006-07 school year, a school district's base revenue per member under s. 121.905  
17 (3) (b) 1., a school district's revenue limit under sub. (2m), and the adjustment for  
18 declining enrollment under sub. (4) (f) shall be calculated as provided in those  
19 sections and with a 5-year rolling average of enrollment instead of a 3-year rolling  
20 average of enrollment. The result that provides a school district with the higher  
21 revenue limit is the one in effect.

**END INSERT 16-17**  
*WANDA*

**INSERT 16-16**  
*x*

**INSERT 16-17**

*# Page 10, line 9 delete "for" and substitute "and"*  
*# Page 10, line 10: 121.91 (4) (f) 1. For Except as provided in sub. (8), for the 1999-2000 school year*