

2007 SENATE BILL 528

February 25, 2008 – Introduced by Senators LASSA and OLSEN, cosponsored by Representatives HINES, ALBERS, BALLWEG, MONTGOMERY and TOWNSEND. Referred to Committee on Labor, Elections and Urban Affairs.

1 **AN ACT to amend** 66.0602 (3) (e) 5. of the statutes; **relating to:** expanding an
2 exception to local levy limits for levies for debts incurred by a joint fire
3 department.

Analysis by the Legislative Reference Bureau

Under current law, as created in 2007 Wisconsin Act 20, the biennial budget bill, local levy limits are applied to the property tax levies that are imposed in December 2007 and 2008. Current law prohibits a political subdivision (any city, village, town, or county) from increasing its levy by a percentage that exceeds its “valuation factor,” which is defined as the greater of either 2 percent or the percentage change in the political subdivision’s equalized value due to new construction, less improvements removed, except that for 2007 the levy limit is 3.86 percent. In addition, the calculation of a political subdivision’s levy may include any tax increment that is generated by a tax incremental district.

Current law contains a number of exceptions to the levy limit. These exceptions include amounts which may be levied for the following purposes or because of the following situations: political subdivisions that transfer the provision of services to another governmental unit; cities or villages that annex town territory; political subdivisions that levy to pay debt service on debt authorized on or after July 1, 2005; a levy for certain charges assessed by a joint fire department; a county levy that relates to a county children with disabilities education board, bridge and culvert repairs, payments to public libraries, and a countywide emergency medical system; and the amount a village levies to pay for police services, but only for the year after the year in which a town, which did not have a police force, changed to village status.

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This bill expands on the current exception to the levy limit for amounts levied by a political subdivision for any revenue shortfall for debt service on a revenue bond issued by the political subdivision. Under the bill this current law exception also applies to amounts levied by a political subdivision to pay for an assessment issued by a joint fire department, for a revenue bond issued by the department to pay for a fire station, if the political subdivision is responsible for the joint fire department's debt under an intergovernmental cooperation agreement.

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:

1 **SECTION 1.** 66.0602 (3) (e) 5. of the statutes, as created by 2007 Wisconsin Act
2 20, is amended to read:

3 66.0602 **(3)** (e) 5. The amount that a political subdivision levies in that year to
4 make up any revenue shortfall for the debt service on a revenue bond issued under
5 s. 66.0621 by the political subdivision or by a joint fire department if the joint fire
6 department uses the proceeds of the bond to pay for a fire station and assesses the
7 political subdivision for its share of that debt, under an agreement entered into
8 under s. 66.0301, which is incurred by the joint fire department but is the
9 responsibility of the political subdivision.

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(END)