



2007 DRAFTING REQUEST

Bill

Received: **12/18/2006**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-1923**

By/Representing: **Hatch**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact:

Adl. Drafters:

Subject: **Local Gov't - munis generally**
Local Gov't - counties

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Hatch, BB0231 -

Topic:

Modify and extend local levy limits

Instructions:

See Attached.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mshovers 12/20/2006	jdyer 12/28/2006		_____			S&L
/1			nmatzke 12/29/2006	_____	cduerst 12/29/2006		S&L
/2	mshovers 01/10/2007	jdyer 01/11/2007	nmatzke 01/11/2007	_____	sbasford 01/11/2007		S&L
/3	mshovers	jdyer	rschluet	_____	mbarman		S&L

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	01/23/2007	01/23/2007	01/23/2007	_____	01/23/2007		
/4	mshovers 01/25/2007	jdye 01/25/2007	rschluet 01/25/2007	_____	sbasford 01/25/2007		S&L
/5	mshovers 01/31/2007	kfollett 01/31/2007	jfrantze 01/31/2007	_____	mbarman 02/01/2007		

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15 MES 1/31/07

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4/25 jld

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14 MES 1/25/07

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/1		13/23 jld	nnatzke 12/29/2006	_____	cdurst 12/29/2006		S&L
/2	mshovers 01/10/2007	jdyer 01/11/2007	nnatzke 01/11/2007	_____	sbasford 01/11/2007		

13 MES 1/23/07

[Handwritten signature]
12/29/06

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/1	12/29/2006 <i>12/11 jcd</i>		nmatzke 12/29/2006 <i>nwn</i> 1/11	_____	cduerst 12/29/2006 <i>nwn/fs</i> 1/11		

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1/?	mshovers	1 JLD 12/28	nwn 12/29	nwn/pj 12/29			
/1 MES 12/20/06							

FE Sent For:

<END>

2007-09 Budget Bill Statutory Language Drafting Request

- Topic: Levy Limits
- Tracking Code: BB0231
- SBO team: Tax and Local Government
- SBO analyst: Nikki Hatch
 - Phone: 266-1923
 - Email: nikki.hatch@wisconsin.gov
- Agency acronym:
- Agency number: 835
- Priority (Low, Medium, High): High

✓ 1. Sunset Date: Change the sunset date under 66.062(7) so that the provision does not apply beginning January 1, 2009.

✓ 2. Valuation: Change the valuation factor as defined in 66.062 (1)(d) from the greater of 2% or the increase in net new construction to the greater of inflation as determined by the Milwaukee/Racine CPI or the increase in net new construction.

2
see sub. (2)
3. Carry-forward unused capacity: Change limit to be based on prior year's maximum levy not actual levy. (Purpose is to remove the incentive for a political subdivision to tax to the limit.)

ASK
NIKKI
for
examples
3
4. Special charges: create an exception from levy limits for Special charges. These are State special charges (for counties and municipalities) and county special charges (for municipalities). They are not in the control of the unit being charged and should therefore be excluded when determining levy limits. Background information: The State charges counties mostly for unpaid bills (such as for copies of the Property Assessor's Manual). Counties use special charges as a way to keep things off the levy.

5. Fire service adjustment: Modify language under 66.0602(3)(h)(2)(a) and (b) to include multi-municipal fire agencies.

6. County bridge aid levy: Create an exemption for counties for bridge aid payments they receive from municipalities (mostly towns) for bridge and culvert construction and repair.

7. Large penalties: Allow DOR to carry-forward until resolved any unpaid penalties issued for levying beyond limits.

8. Small penalties: Establish \$500 as the minimum threshold for imposing aid-reduction penalties for levying beyond limits.

9. Tax roll over-run/under-runs: When clerical errors result in over- or under-payments, allow DOR to forgive any excess levies. *due to a math error, allow DOR to determine whether a taxation juris. is excused from a penalty for exceeding the levy limit*

Shovers, Marc

From: Hatch, Nikki - DOA
Sent: Wednesday, December 20, 2006 4:04 PM
To: Shovers, Marc
Subject: RE: special charges

Marc,

I don't know if this makes your work easier or harder: The decision has been made to remove the special charges items from the list of levy limit corrections.

Thanks,
 Nikki

From: Shovers, Marc [mailto:Marc.Shovers@legis.wisconsin.gov]
Sent: Tuesday, December 19, 2006 4:17 PM
To: Hatch, Nikki - DOA
Subject: RE: special charges

Hi Nikki:

I think that the only state special charge in your list is in s. 70.64 (12). The special charge in s. 33.32 (2m) is imposed by a public inland lake protection and rehabilitation district (a local unit of government), and the cites to s. 66.0627 are both special charges that may be imposed only by cities, villages, and towns.

I spoke to Joe Kreye, who drafts in the area of property taxes, and he said that there a number of special charges contained in chapter 70 that the state imposes on political subdivisions. Joe thought that perhaps I could just draft an exception "for any amount levied by a political subdivision to pay for a special charge imposed under ch. 70, by the state, on a political subdivision." What do you think? Aside from these charges in ch. 70, I'm not aware of any other such charges imposed by the state on political subdivisions. Did DOR have anything else in mind?

Marc

From: Hatch, Nikki - DOA
Sent: Tuesday, December 19, 2006 11:57 AM
To: Shovers, Marc
Subject: special charges

Hi Marc,

With respect to the levy limits adjustments conversation we had yesterday, I have these potential leads:

- 33.32(2m)
- 66.0627(3)(b)
- 66.0627(4)
- 70.64(12)

These sections of the statutes make reference to the state's ability to assess special charges to counties. Essentially the state has the authority to place a fee on a county, ultimately compelling the county to levy for it. The adjustment we'd recommend is

12/20/2006

removing those fees from the county levy limit.

I'm still working on the county authority to charge municipalities, but haven't found it yet.

Nikki Hatch

Tax and Local Government Team

Wisconsin State Budget Office

101 East Wilson Street


Madison, WI 53702

(608)266-1923

Shovers, Marc

From: Hatch, Nikki - DOA
Sent: Tuesday, December 19, 2006 12:19 PM
To: Shovers, Marc
Subject: county charges

Marc,
This is the best I've come up with for county charges to municipalities:

27.075(4) 

(4) The town, city or village concerned may enter into necessary contracts with the county, and appropriate money to pay the county for the reasonable expenses incurred in rendering the park services assumed. Such expenses may be certified, returned and paid as are other county charges, and in the case of services performed pursuant to a proposal for the consolidation thereof initiated by the county board and made available to each town, city and village in the county on the same terms, the expenses thereof shall be certified, returned and paid as county charges; but in the event that each and every town, city and village in the county shall accept such proposal of the county board the expenses thereof shall be paid by county taxes to be levied and collected as are other taxes for county purposes. Said towns, cities and villages are vested with all necessary power to do the things herein required, and to do all things and to exercise or relinquish any of the powers herein provided or contemplated. The procedure herein provided for the request or acceptance of the exercise of the powers conferred on the county board in cities and villages is hereby prescribed as a special method of determining the local affairs and government of such cities and villages pursuant to article XI, section 3, of the constitution

Nikki Hatch

Tax and Local Government Team
Wisconsin State Budget Office
101 East Wilson Street
Madison, WI 53702
(608)266-1923

Shovers, Marc

From: Hatch, Nikki - DOA
Sent: Tuesday, December 19, 2006 4:27 PM
To: Shovers, Marc
Subject: RE: special charges

Hi Marc,

I think Joe's suggested language works well. DOR, when pressed, couldn't come up with anything more helpful.

Thanks for your work on this,
Nikki

From: Shovers, Marc [mailto:Marc.Shovers@legis.wisconsin.gov]
Sent: Tuesday, December 19, 2006 4:17 PM
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Subject: RE: special charges

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(608)266-1923



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1170/?

MES

Handwritten signature: jlc RMR

DOA:.....Hatch, BB0231 - Modify and extend local levy limits

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

do not gen

1 AN ACT ...; relating to: modifying and extending levy[✓] limits for cities, villages,
2 towns, and counties.

Analysis by the Legislative Reference Bureau

LOCAL GOVERNMENT[✓]

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 percentage change in the political subdivision's equalized value due to new construction, less improvements removed, but not less than 2[✓] percent. In addition, the calculation of a political subdivision's levy does not include any tax increment that is generated by a[✓] tax incremental district.

Current law contains exceptions to the levy limit for political subdivisions that transfer the provision of services, for cities or villages that annex town territory, for political subdivisions that levy to pay debt service on debt authorized by referendum on or after July 1, 2005, for certain joint fire departments, and for a county levy that relates to a county children with disabilities education board.[✓]

Also under current law, a political subdivision's levy limit is increased if the amount of debt service in the current year exceeds the amount in the prior year for debt that was approved by the governing body before July 1, 2005.[✓] The levy limit may also be exceeded if a political subdivision's resolution to do so is approved in a referendum. If a political subdivision exceeds the levy limit, creating a "penalized excess" ~~the Department of Revenue (DOR)~~^{the Department of Revenue (DOR)} is required to reduce the political

*

subdivision's local aid payments in an equal amount. The levy limit does not apply beginning on January 1, 2007. ✓

This bill extends the levy limit on political subdivisions through 2009, ✓ modifies the calculation of the limit, and creates a number of new exceptions to the limit. The bill changes the definition of "valuation factor" to be the greater of either the percentage change in the political subdivision's equalized value due to new construction, less improvements removed, or the percentage increase in the Milwaukee-Racine consumer price index for the previous year. ✓ Also under the bill, the base amount of a political subdivision's levy, on which the levy limit is imposed, is the maximum allowable levy for the immediately preceding year. ✓

, but not less than zero ✓

colon

The bill creates ^{two} a number of new exceptions to the levy limit for political subdivisions, including county levies for certain bridge and culvert construction and repairs, ✓ certain levies for fire departments from any combination of cities, villages, and towns that have entered into a contract to jointly provide fire protection services, and special charges imposed by the state on political subdivisions for certain purposes related to property taxes. ✓

*
*
e

Under this bill, DOR may not reduce a political subdivision's aid payments unless its penalized excess is at least \$500, ✓ but, if the amount of a political subdivision's penalized excess exceeds its aid payments in the following year, ✓ DOR must carry forward the unused penalized excess and deduct it from aid payments for future years until the penalized excess amount is fully deducted from local aid payments in future years. Also under the bill, a political subdivision will not be liable for a penalty for a penalized excess if DOR determines that the penalized excess is directly caused by DOR assessment errors or because of an error in preparing or delivering the tax roll by the taxation district clerk or county clerk. ✓

*

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 (1) (am) ^x of the statutes is created to read:

2 66.0602 (1) (am) "Joint fire department" [✓] means a joint fire department
3 organized under s. 61.65 (2) (a) 3. [✓] or 62.13 (2m), [✓] or a joint fire department organized
4 by any combination of 2 [✓] or more cities, villages, or towns under s. 66.0301 (2). [✓]

5 SECTION 2. 66.0602 (1) (b) ^x of the statutes is amended to read:

1 66.0602 (1) (b) "Penalized excess" means the levy, in an amount that is at least
2 \$500 over the limit under sub. (2) for the political subdivision, not including any
3 amount that is excepted from the limit under subs. (3), (4), and (5).

4 History: 2005 a. 25, 484.

4 **SECTION 3.** 66.0602 (1) (d) of the statutes is amended to read:

5 66.0602 (1) (d) "Valuation factor" means a percentage equal to the greater of
6 either the percentage change in the political subdivision's January 1 equalized value
7 due to new construction less improvements removed between the previous year and
8 the current year or the percentage change over the previous fiscal year in the
9 consumer price index for Milwaukee-Racine or its successor, but not less than 2.
10 ~~Except as provided in subs. (3), (4), and (5), no political subdivision may increase its~~
11 ~~levy in any year by a percentage that exceeds the political subdivision's valuation~~
12 ~~factor. In determining its levy in any year, a city, village, or town shall subtract any~~
13 ~~tax increment that is calculated under s. 60.85 (1) (L) or 66.1105 (2) (i) zero.~~

14 History: 2005 a. 25, 484.

14 **SECTION 4.** 66.0602 (2) of the statutes is created to read:

15 66.0602 (2) LEVY LIMIT. Except as provided in subs. (3), (4), and (5), no political
16 subdivision may increase its levy in any year by a percentage that exceeds the
17 political subdivision's valuation factor. The base amount in any year, to which the
18 limit under this ~~subdivision~~ **section** applies, shall be the maximum allowable levy for the
19 immediately preceding year. In determining its levy in any year, a city, village, or
20 town shall subtract any tax increment that is calculated under s. 60.85 (1) (L) or
21 66.1105 (2) (i).

22 **SECTION 5.** 66.0602 (3) (h) 1. of the statutes is amended to read:

23 66.0602 (3) (h) 1. Subject to subd. 2., the limit otherwise applicable under this
24 section does not apply to the amount that a city, village, or town levies in that year

1 to pay for charges assessed by a [✓] joint fire department ~~organized under s. 61.65 (2)~~
2 ~~(a) 3. or 62.13 (2m)~~, but only to the extent that the amount levied to pay for such
3 charges would cause the city, village, or town to exceed the limit that is otherwise
4 applicable under this section.

History: 2005 a. 25, 484.

5 **SECTION 6.** 66.0602 (3) (i) [✓] of the statutes is created to read:

6 66.0602 (3) (i) The limit otherwise applicable under this section [✓] does not apply
7 to the amount that a county levies in that year under s. 82.08 (2) [✓] for bridge and
8 [✓] culvert construction and repair.

9 **SECTION 7.** 66.0602 (3) (j) of the statutes is created to read:

10 66.0602 (3) (j) The limit otherwise applicable under this section does not apply
11 to the amount that a political subdivision levies in that year to pay for a special
12 charge imposed under ch. 70, by the state, on a political subdivision.

13 **SECTION 8.** 66.0602 (3) (k) of the statutes is created to read:

14 66.0602 (3) (k) The limit otherwise applicable under this section does not apply
15 to the amount that a city, village, or town levies in that year to pay for a park services
16 charge that is imposed by a county under s. 27.075 (4).

17 **SECTION 9.** [✓] 66.0602 (4) (a) of the statutes is amended to read:

18 66.0602 (4) (a) A political subdivision may exceed the levy increase limit under
19 sub. (2) [✓] if its governing body adopts a resolution to that effect and if the resolution
20 is approved in a referendum. The resolution shall specify the proposed amount of
21 increase in the levy beyond the amount that is allowed under sub. (2), [✓] and shall
22 specify whether the proposed amount of increase is for the next fiscal year only or if
23 it will apply on an ongoing basis. With regard to a referendum relating to the 2005
24 levy, or any levy in an odd-numbered [✓] year thereafter, the political subdivision may

1 call a special referendum for the purpose of submitting the resolution to the electors
2 of the political subdivision for approval or rejection. With regard to a referendum
3 relating to the 2006 levy, or any levy in an even-numbered year thereafter, the
4 referendum shall be held at the next succeeding spring primary or election or
5 September primary or general election.

History: 2005 a. 25, 484.

6 **SECTION 10.** 66.0602 (4) (d) of the statutes is amended to read:

7 66.0602 (4) (d) Within 14 days after the referendum, the clerk of the political
8 subdivision shall certify the results of the referendum to the department of revenue.
9 The levy increase limit otherwise applicable to the political subdivision under this
10 section is increased in the next fiscal year by the percentage approved by a majority
11 of those voting on the question. If the resolution specifies that the increase is for one
12 year only, the amount of the increase shall be subtracted from the base used to
13 calculate the limit for the 2nd succeeding fiscal year.

History: 2005 a. 25, 484.

14 **SECTION 11.** 66.0602 (5) of the statutes is amended to read:

15 66.0602 (5) EXCEPTION, CERTAIN TOWNS. A town with a population of less than
16 2,000 may exceed the levy increase limit otherwise applicable under this section to
17 the town if the town board adopts a resolution supporting an increase and places the
18 question on the agenda of an annual town meeting or a special town meeting and if
19 the annual or special town meeting adopts a resolution endorsing the town board's
20 resolution. The limit otherwise applicable to the town under this section is increased
21 in the next fiscal year by the percentage approved by a majority of those voting on
22 the question. Within 14 days after the adoption of the resolution, the town clerk shall
23 certify the results of the vote to the department of revenue.

History: 2005 a. 25, 484.

24 **SECTION 12.** 66.0602 (6) (intro.) of the statutes is amended to read:

1 66.0602 (6) PENALTIES. (intro.) If Except as provided in sub. (6m), if the
2 department of revenue determines that a political subdivision has a penalized excess
3 in any year, the department of revenue shall do all of the following:

4 History: 2005 a. 25, 484.

SECTION 13. 66.0602 (6) (c) of the statutes is amended to read:

5 66.0602 (6) (c) Ensure that the amount of the penalized excess is not included
6 in determining the limit described under sub. (2) for the political subdivision for the
7 following year.

8 History: 2005 a. 25, 484.

SECTION 14. 66.0602 (6) (d) of the statutes is created to read:

9 66.0602 (6) (d) Ensure that if a political subdivision's penalized excess exceeds
10 the amount of aid payment that may be reduced under par. (a), the excess amount
11 is subtracted from the aid payments under par. (a) in the following years,
12 notwithstanding the sunset date in sub. (7), until the total amount of penalized
13 excess is subtracted from the aid payments.

14 **SECTION 15.** 66.0602 (6m) of the statutes is created to read:

15 66.0602 (6m) **MISTAKES IN LEVIES.** The department of revenue may issue a
16 finding that a political subdivision is not liable for a penalty that would otherwise
17 be imposed under sub. (6) if the department determines that the political
18 subdivision's penalized excess is caused by one of the following clerical errors:

19 (a) The department, through mistake or inadvertence, has assessed to any
20 county or taxation district, in the current year or in the previous year, a greater or
21 less valuation for any year than should have been assessed, causing the political
22 subdivision's levy to be erroneous in a way that directly causes a penalized excess.

1 (b) A taxation district clerk or a county clerk, through mistake or inadvertence
2 in preparing or delivering the tax roll, causes a political subdivision's levy to be
3 erroneous in a way that directly causes a penalized excess.

4 **SECTION 16.** 66.0602 (7)^X of the statutes is amended to read:

5 66.0602 (7) SUNSET. This section does not apply beginning January 1,[✓] 2007
6 2009.

7 History: 2005 a. 25, 484.

(END)

Shovers, Marc

From: Hatch, Nikki - DOA
Sent: Monday, January 08, 2007 3:38 PM
To: Shovers, Marc
Cc: Hanaman, Cathlene; Palchik, Laurie A - DOA
Subject: RE: LRB Draft: 07-1170/1 Modify and extend local levy limits

Hi Marc,

I'd like to ask that a change be made to this draft:

The valuation factor should be the **greater of 4% or the increase due to net new construction.**

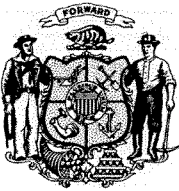
Let me know if you have any questions.

Thanks,

Nikki

From: Natzke, Noah [mailto:Noah.Natzke@legis.wisconsin.gov]
Sent: Friday, December 29, 2006 10:22 AM
To: Hatch, Nikki - DOA
Cc: Koskinen, John - DOA; Hanaman, Cathlene - LEGIS; Palchik, Laurie A - DOA
Subject: LRB Draft: 07-1170/1 Modify and extend local levy limits

Following is the PDF version of draft 07-1170/1.



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1170/1²

MES:jld:nwn

RMR

DOA:.....Hatch, BB0231 - Modify and extend local levy limits

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

do not
gen ✓

- 1 AN ACT ...; **relating to:** modifying and extending levy limits for cities, villages,
2 towns, and counties.

Analysis by the Legislative Reference Bureau

LOCAL GOVERNMENT

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 percentage change in the political subdivision's equalized value due to new construction, less improvements removed, but not less than 2 percent. In addition, the calculation of a political subdivision's levy does not include any tax increment that is generated by a tax incremental district.

Current law contains exceptions to the levy limit for political subdivisions that transfer the provision of services, for cities or villages that annex town territory, for political subdivisions that levy to pay debt service on debt authorized by referendum on or after July 1, 2005, for certain joint fire departments, and for a county levy that relates to a county children with disabilities education board.

Also under current law, a political subdivision's levy limit is increased if the amount of debt service in the current year exceeds the amount in the prior year for debt that was approved by the governing body before July 1, 2005. The levy limit may also be exceeded if a political subdivision's resolution to do so is approved in a referendum. If a political subdivision exceeds the levy limit, creating a "penalized excess," DOR is required to reduce the political subdivision's local aid payments in an equal amount. The levy limit does not apply beginning on January 1, 2007.

This bill extends the levy limit on political subdivisions through 2009, modifies the calculation of the limit, and creates a number of new exceptions to the limit. The bill changes the definition of "valuation factor" to be the greater of either the percentage change in the political subdivision's equalized value due to new construction, less improvements removed, ~~or the percentage increase in the Milwaukee-Racine consumer price index for the previous year, but not less than zero.~~ Also under the bill, the base amount of a political subdivision's levy, on which the levy limit is imposed, is the maximum allowable levy for the immediately preceding year.

4
4
Percent
or

The bill creates two new exceptions to the levy limit for political subdivisions: county levies for certain bridge and culvert construction and repairs; and certain levies for fire departments from any combination of cities, villages, and towns that have entered into a contract to jointly provide fire protection services.

Under this bill, DOR may not reduce a political subdivision's aid payments unless its penalized excess is at least \$500, but, if the amount of a political subdivision's penalized excess exceeds its aid payments in the following year, DOR must carry forward the unused penalized excess and deduct it from aid payments for future years until the penalized excess amount is fully deducted from local aid payments in future years. Also under the bill, a political subdivision will not be liable for a penalty for a penalized excess if DOR determines that the penalized excess is directly caused by DOR assessment errors or because of an error in preparing or delivering the tax roll by the taxation district clerk or county clerk.

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 (1) (am) of the statutes is created to read:

2 66.0602 (1) (am) "Joint fire department" means a joint fire department
3 organized under s. 61.65 (2) (a) 3. or 62.13 (2m), or a joint fire department organized
4 by any combination of 2 or more cities, villages, or towns under s. 66.0301 (2).

5 **SECTION 2.** 66.0602 (1) (b) of the statutes is amended to read:

6 66.0602 (1) (b) "Penalized excess" means the levy, in an amount that is at least
7 \$500 over the limit under sub. (2) for the political subdivision, not including any
8 amount that is excepted from the limit under subs. (3), (4), and (5).

9 **SECTION 3.** 66.0602 (1) (d) of the statutes is amended to read:

4

1 66.0602 (1)(d) "Valuation factor" means a percentage equal to the greater of
 2 either ~~the~~ ^{percent or} percentage change in the political subdivision's January 1 equalized value
 3 due to new construction less improvements removed between the previous year and
 4 the current year or the percentage change over the previous fiscal year in the
 5 consumer price index for Milwaukee-Racine or its successor, but not less than 2.
 6 ~~Except as provided in subs. (3), (4), and (5), no political subdivision may increase its~~
 7 ~~levy in any year by a percentage that exceeds the political subdivision's valuation~~
 8 ~~factor. In determining its levy in any year, a city, village, or town shall subtract any~~
 9 ~~tax increment that is calculated under s. 60.85 (1) (L) or 66.1105 (2) (i)~~ ^{zero.}

10 **SECTION 4.** 66.0602 (2) of the statutes is created to read:

11 66.0602 (2) LEVY LIMIT. Except as provided in subs. (3), (4), and (5), no political
 12 subdivision may increase its levy in any year by a percentage that exceeds the
 13 political subdivision's valuation factor. The base amount in any year, to which the
 14 limit under this section applies, shall be the maximum allowable levy for the
 15 immediately preceding year. In determining its levy in any year, a city, village, or
 16 town shall subtract any tax increment that is calculated under s. 60.85 (1) (L) or
 17 66.1105 (2) (i).

18 **SECTION 5.** 66.0602 (3) (h) 1. of the statutes is amended to read:

19 66.0602 (3) (h) 1. Subject to subd. 2., the limit otherwise applicable under this
 20 section does not apply to the amount that a city, village, or town levies in that year
 21 to pay for charges assessed by a joint fire department ~~organized under s. 61.65 (2)~~
 22 ~~(a) 3. or 62.13 (2m)~~, but only to the extent that the amount levied to pay for such
 23 charges would cause the city, village, or town to exceed the limit that is otherwise
 24 applicable under this section.

25 **SECTION 6.** 66.0602 (3) (i) of the statutes is created to read:

1 66.0602 (3) (i) The limit otherwise applicable under this section does not apply
2 to the amount that a county levies in that year under s. 82.08 (2) for bridge and
3 culvert construction and repair.

4 **SECTION 7.** 66.0602 (4) (a) of the statutes is amended to read:

5 66.0602 (4) (a) A political subdivision may exceed the levy increase limit under
6 sub. (2) if its governing body adopts a resolution to that effect and if the resolution
7 is approved in a referendum. The resolution shall specify the proposed amount of
8 increase in the levy beyond the amount that is allowed under sub. (2), and shall
9 specify whether the proposed amount of increase is for the next fiscal year only or if
10 it will apply on an ongoing basis. With regard to a referendum relating to the 2005
11 levy, or any levy in an odd-numbered year thereafter, the political subdivision may
12 call a special referendum for the purpose of submitting the resolution to the electors
13 of the political subdivision for approval or rejection. With regard to a referendum
14 relating to the 2006 levy, or any levy in an even-numbered year thereafter, the
15 referendum shall be held at the next succeeding spring primary or election or
16 September primary or general election.

17 **SECTION 8.** 66.0602 (4) (d) of the statutes is amended to read:

18 66.0602 (4) (d) Within 14 days after the referendum, the clerk of the political
19 subdivision shall certify the results of the referendum to the department of revenue.
20 The levy increase limit otherwise applicable to the political subdivision under this
21 section is increased in the next fiscal year by the percentage approved by a majority
22 of those voting on the question. If the resolution specifies that the increase is for one
23 year only, the amount of the increase shall be subtracted from the base used to
24 calculate the limit for the 2nd succeeding fiscal year.

25 **SECTION 9.** 66.0602 (5) of the statutes is amended to read:

1 66.0602 (5) EXCEPTION, CERTAIN TOWNS. A town with a population of less than
2 2,000 may exceed the levy increase limit otherwise applicable under this section to
3 the town if the town board adopts a resolution supporting an increase and places the
4 question on the agenda of an annual town meeting or a special town meeting and if
5 the annual or special town meeting adopts a resolution endorsing the town board's
6 resolution. The limit otherwise applicable to the town under this section is increased
7 in the next fiscal year by the percentage approved by a majority of those voting on
8 the question. Within 14 days after the adoption of the resolution, the town clerk shall
9 certify the results of the vote to the department of revenue.

10 **SECTION 10.** 66.0602 (6) (intro.) of the statutes is amended to read:

11 66.0602 (6) PENALTIES. (intro.) If Except as provided in sub. (6m), if the
12 department of revenue determines that a political subdivision has a penalized excess
13 in any year, the department of revenue shall do all of the following:

14 **SECTION 11.** 66.0602 (6) (c) of the statutes is amended to read:

15 66.0602 (6) (c) Ensure that the amount of the penalized excess is not included
16 in determining the limit described under sub. (2) for the political subdivision for the
17 following year.

18 **SECTION 12.** 66.0602 (6) (d) of the statutes is created to read:

19 66.0602 (6) (d) Ensure that, if a political subdivision's penalized excess exceeds
20 the amount of aid payment that may be reduced under par. (a), the excess amount
21 is subtracted from the aid payments under par. (a) in the following years,
22 notwithstanding the sunset date in sub. (7), until the total amount of penalized
23 excess is subtracted from the aid payments.

24 **SECTION 13.** 66.0602 (6m) of the statutes is created to read:

1 66.0602 (6m) MISTAKES IN LEVIES. The department of revenue may issue a
2 finding that a political subdivision is not liable for a penalty that would otherwise
3 be imposed under sub. (6) if the department determines that the political
4 subdivision's penalized excess is caused by one of the following clerical errors:

5 (a) The department, through mistake or inadvertence, has assessed to any
6 county or taxation district, in the current year or in the previous year, a greater or
7 less valuation for any year than should have been assessed, causing the political
8 subdivision's levy to be erroneous in a way that directly causes a penalized excess.

9 (b) A taxation district clerk or a county clerk, through mistake or inadvertence
10 in preparing or delivering the tax roll, causes a political subdivision's levy to be
11 erroneous in a way that directly causes a penalized excess.

12 **SECTION 14.** 66.0602 (7) of the statutes is amended to read:

13 66.0602 (7) SUNSET. This section does not apply beginning January 1, 2007
14 2009.

15 (END)

Shovers, Marc

From: Hatch, Nikki - DOA
Sent: Saturday, January 20, 2007 12:32 PM
To: Shovers, Marc; Hanaman, Cathlene
Cc: Koskinen, John - DOA; Palchik, Laurie A - DOA
Subject: FW: LRB Draft: 07-1170/2 Modify and extend local levy limits

Hi Marc,
Please make the following addition to this draft:

In addition to the levy limit exemptions already listed, add reimbursement payments made by counties in compliance with 2005 Act 420. The Act requires counties to pay adjacent counties for up to 70% of library services rendered to their residents living in municipalities without a library.

Thank you,

Nikki Hatch

From: Shovers, Marc [mailto:Marc.Shovers@legis.wisconsin.gov]
Sent: Thursday, January 11, 2007 11:51 AM
To: Hatch, Nikki - DOA
Subject: RE: LRB Draft: 07-1170/2 Modify and extend local levy limits

Hi Nicki:

Isn't that exactly what /2 accomplishes? This is from bill section 3:

66.0602 (1) (d) "Valuation factor" means a percentage equal to the greater of either 4 percent or the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current year, *but not less than 2. Except as provided in subs. (3), (4), and (5), no political subdivision may increase its levy in any year by a percentage that exceeds the political subdivision's valuation factor. In determining its levy in any year, a city, village, or town shall subtract any tax increment that is calculated under s. 60.85 (1) (L) or 66.1105 (2) (i).*

The bold, italicized text is stricken in the copy you have, but I can't strike in this e-mail

Marc

01/22/2007

From: Hatch, Nikki - DOA
Sent: Thursday, January 11, 2007 11:42 AM
To: Natzke, Noah; Shovers, Marc
Cc: Koskinen, John - DOA; Hanaman, Cathlene; Palchik, Laurie A - DOA
Subject: RE: LRB Draft: 07-1170/2 Modify and extend local levy limits

Hi Marc,

Please make the following change to this draft:

The valuation factor should be redefined as the **greater of net new construction or 4%** (replacing 2% from current law, and replacing the Milwaukee-Racine CPI in the original draft).

Thank you,

Nikki

From: Natzke, Noah [mailto:Noah.Natzke@legis.wisconsin.gov]
Sent: Thursday, January 11, 2007 10:01 AM
To: Hatch, Nikki - DOA
Cc: Koskinen, John - DOA; Hanaman, Cathlene - LEGIS; Palchik, Laurie A - DOA
Subject: LRB Draft: 07-1170/2 Modify and extend local levy limits

Following is the PDF version of draft 07-1170/2.