

**2019 DRAFTING REQUEST**

**Bill**

For: **Robert Brooks (608) 267-2369** Drafter: **mshovers**  
 By: **Darla** Secondary Drafters:  
 Date: **1/18/2019** May Contact:  
 Same as LRB: **-4123**

Submit via email: **YES**  
 Requester's email: **Rep.Rob.Brooks@legis.wisconsin.gov**  
 Carbon copy (CC) to: **eric.mueller@legis.wisconsin.gov**

**Pre Topic:**

No specific pre topic given

**Topic:**

Allow levy limit adjustments for local governments that consolidate local services

**Instructions:**

See attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	mshovers 3/4/2019	ccarmich 1/29/2019	dwalker 1/29/2019		State S&L
/P2		ccarmich 3/6/2019	mbarman 3/6/2019		State S&L
/1			lparisi 8/27/2019	lparisi 8/27/2019	State S&L

FE Sent For:

*2  
at  
intro*

<END>

## Shovers, Marc

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**From:** Flemming, Darla  
**Sent:** Friday, January 18, 2019 9:55 AM  
**To:** Shovers, Marc  
**Subject:** Bill Draft Request

Hi Marc,

My boss would like a bill drafted relating to levy limits. Specifically, we would like to make the following changes to levy limits for local governments that consolidate local services:

- Allow the community that takes on a new service to make a levy limit adjustment in year one. For the following 10 years, allow the community to make further adjustments to the one-time adjustment, at the rate of inflation.
- Allow the community that transfers the service to only reduce their levy by 25% of the cost of providing the service. Require that the remaining 75% of allowable levy be spent on transportation-related expenditures.

Please let me know if you have any questions.

Best,

***Darla Flemming***

Office of Rep. Rob Brooks

60<sup>th</sup> Assembly District

(608) 267-2369



**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

SIA ✓  
X-ref ✓  
SC ✓

1 **AN ACT ...; relating to:** changes to the local levy limit calculation for a political  
 2 subdivision that transfers responsibility to provide a governmental service to  
 3 another governmental unit, or that increases the services it provides to another  
 4 governmental unit.

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

This bill modifies the way local levy limits are recalculated when a city, village, town, or county transfers responsibility for providing a governmental service to another unit of government, or when a political subdivision increases the services it provides by adding responsibility to provide a service transferred to it by another governmental unit.

Generally under current law, local levy limits are applied to the property tax levies that are imposed by a political subdivision in December of each year. Current law prohibits any political subdivision from increasing its levy by a percentage that exceeds its "valuation factor," which is defined as the greater of either zero percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed.

Also under current law, if a political subdivision transfers to another governmental unit the responsibility to provide a service that it provided in the previous year, the levy increase limit otherwise applicable in the current year is decreased to reflect the cost that the political subdivision would have incurred to provide that service. Under this bill, the transferring political subdivision must reduce the otherwise applicable levy limit to reflect 25 percent of the cost it would

have otherwise incurred to continue to provide the service. The transferor may continue to levy for 75 percent of the cost that it would have incurred to continue to provide the service, but such amounts may be spent only on transportation-related expenditures.

Also under current law, if a political subdivision increases the services that it provides by adding responsibility to provide a service transferred to it from another governmental unit that provided the service in the previous year, the levy increase limit otherwise applicable in the current year is increased to reflect the cost of providing that service. Under this bill, for the next ~~10~~ <sup>ten</sup> years after the service is transferred, the transferee may increase the otherwise applicable levy increase limit by a percentage equal to the rate of inflation in the previous year.

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) (a) of the statutes is amended to read:

2           66.0602 (3) (a) If a political subdivision transfers to another governmental unit  
3 responsibility for providing any service that the political subdivision provided in the  
4 preceding year, the levy increase limit otherwise applicable under this section to the  
5 political subdivision in the current year is decreased to reflect 25 percent of the cost  
6 that the political subdivision would have incurred to provide that service, as  
7 determined by the department of revenue, and the political subdivision may  
8 continue to levy for 75 percent of the cost that it would have incurred to continue to  
9 provide that service but such amounts may be spent only on transportation-related  
10 expenditures.

History 2005 a. 25, 484; 2007 a. 20, 115, 129; 2009 a. 28; 2011 a. 32, 63, 75, 140, 145, 258; 2013 a. 20; 2013 a. 165 s. 114; 2013 a. 222, 310; 2015 a. 55, 191, 256; 2017 a. 59; 2017 a. 207 s. 5; 2017 a. 223, 243, 317; 2017 a. 365 s. 111; s. 13.92 (1) (bm) 2; s. 35.17 correction in (1) (d).

11           **SECTION 2.** 66.0602 (3) (b) of the statutes is amended to read:

12           66.0602 (3) (b) If a political subdivision increases the services that it provides  
13 by adding responsibility for providing a service transferred to it from another  
14 governmental unit that provided the service in the preceding year, the levy increase

1 limit otherwise applicable under this section to the political subdivision in the  
2 current year is increased to reflect the cost of that service, as determined by the  
3 department of revenue and, for the next 10 years after the year in which the service  
4 transfer occurs, the political subdivision may increase the levy increase limit  
5 otherwise applicable under this section by a percentage equal to the percentage  
6 change between the U.S. consumer price index for all urban consumers, U.S. city  
7 average, for the month of August of the previous year and the U.S. consumer price  
8 index for all urban consumers, U.S. city average, for the month of August of the year  
9 before the previous year, as determined by the federal department of labor.

*History* 2005 a. 25, 484; 2007 a. 20, 115, 129; 2009 a. 28; 2011 a. 32, 63, 75, 140, 145, 258; 2013 a. 20; 2013 a. 165 s. 114; 2013 a. 222, 310; 2015 a. 55, 191, 256; 2017 a. 59; 2017 a. 207 s. 5; 2017 a. 223, 243, 317; 2017 a. 365 s. 111; s. 13.92 (1) (bm) 2; s. 35.17 correction in (1) (d).

10 **SECTION 3. Initial applicability.**

11 (1) This act first applies to a levy that is imposed in December 2019.

12 (END)

**Shovers, Marc**

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**From:** Flemming, Darla  
**Sent:** Tuesday, February 26, 2019 2:51 PM  
**To:** Shovers, Marc  
**Subject:** LRB-1470

Hi Marc,

We'd like to repeal 66.0602(3)(a) of statute and replace it with 66.0602(3)(b). Additionally, we'd like to scratch the new language that was added to 66.0602(3)(b) within this draft.

Additionally, under this bill, would the adjustment become the new base for levy limit purposes?

Please let me know if you have any questions.

Best,  
Darla

***Darla Flemming***  
Office of Rep. Rob Brooks  
60<sup>th</sup> Assembly District  
(608) 267-2369



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-1470/F1  
MES:cdc

*Handwritten initials: PZ, RMR*

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

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1 **AN ACT to amend** 66.0602 (3) (a) and 66.0602 (3) (b) of the statutes; **relating to:**  
 2 changes to the local levy limit calculation for a political subdivision that  
 3 transfers responsibility to provide a governmental service to another  
 4 governmental unit, or that increases the services it provides to another  
 5 governmental unit.

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

~~This bill modifies the way local levy limits are recalculated when a city, village, town, or county transfers responsibility for providing a governmental service to another unit of government, or when a political subdivision increases the services it provides by adding responsibility to provide a service transferred to it by another governmental unit.~~

Generally under current law, local levy limits are applied to the property tax levies that are imposed by a political subdivision in December of each year. Current law prohibits any political subdivision from increasing its levy by a percentage that exceeds its "valuation factor," which is defined as the greater of either zero percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed.

Also under current law, if a political subdivision transfers to another governmental unit the responsibility to provide a service that it provided in the previous year, the levy increase limit otherwise applicable in the current year is decreased to reflect the cost that the political subdivision would have incurred to

→ reports that provisions

provide that service. ~~Under this bill, the transferring political subdivision must reduce the otherwise applicable levy limit to reflect 25 percent of the cost it would have otherwise incurred to continue to provide the service. The transferor may continue to levy for 75 percent of the cost that it would have incurred to continue to provide the service, but such amounts may be spent only on transportation-related expenditures.~~

Also under current law, if a political subdivision increases the services that it provides by adding responsibility to provide a service transferred to it from another governmental unit that provided the service in the previous year, the levy increase limit otherwise applicable in the current year is increased to reflect the cost of providing that service. Under this bill, for the next ten years after the service is transferred, the transferee may increase the otherwise applicable levy increase limit by a percentage equal to the rate of inflation in the previous year.

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 1. <sup>RP:</sup> 66.0602 (3) (a) of the statutes is amended to read:

~~66.0602 (3) (a) If a political subdivision transfers to another governmental unit responsibility for providing any service that the political subdivision provided in the preceding year, the levy increase limit otherwise applicable under this section to the political subdivision in the current year is decreased to reflect 25 percent of the cost that the political subdivision would have incurred to provide that service, as determined by the department of revenue, and the political subdivision may continue to levy for 75 percent of the cost that it would have incurred to continue to provide that service but such amounts may be spent only on transportation-related expenditures.~~

SECTION 2. 66.0602 (3) (b) of the statutes is amended to read:

~~66.0602 (3) (b) If a political subdivision increases the services that it provides by adding responsibility for providing a service transferred to it from another governmental unit that provided the service in the preceding year, the levy increase~~



1 limit otherwise applicable under this section to the political subdivision in the  
2 current year is increased to reflect the cost of that service, as determined by the  
3 department of revenue and, for the next 10 years after the year in which the service  
4 transfer occurs, the political subdivision may increase the levy increase limit  
5 otherwise applicable under this section by a percentage equal to the percentage  
6 change between the U.S. consumer price index for all urban consumers, U.S. city  
7 average, for the month of August of the previous year and the U.S. consumer price  
8 index for all urban consumers, U.S. city average, for the month of August of the year  
9 before the previous year, as determined by the federal department of labor.

10 **SECTION 3. Initial applicability.**

11 (1) This act first applies to a levy that is imposed in December 2019.

12 (END)

**Shovers, Marc**

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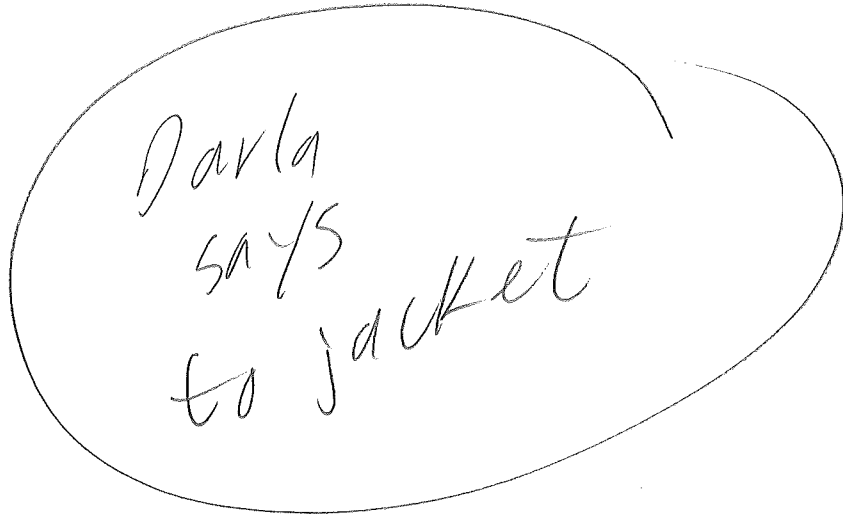
**From:** Flemming, Darla  
**Sent:** Tuesday, August 27, 2019 3:58 PM  
**To:** Shovers, Marc  
**Cc:** Lonergan, Sandy  
**Subject:** LRB-1470

Hi Marc,

Our office would like a /1 of LRB-1470. In addition, Senator Kooyenga will need a companion bill drafted.

Best,  
Darla

**Darla Flemming**  
Office of Rep. Rob Brooks  
60<sup>th</sup> Assembly District  
(608) 267-2369



Darla  
says  
to jacket



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-1470/P2  
MES:cdc

NO  
Changes

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

1 **AN ACT to repeal** 66.0602 (3) (a) of the statutes; **relating to:** changes to the local  
2 levy limit calculation for a political subdivision that transfers responsibility to  
3 provide a governmental service to another governmental unit.

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

Generally under current law, local levy limits are applied to the property tax levies that are imposed by a political subdivision in December of each year. Current law prohibits any political subdivision from increasing its levy by a percentage that exceeds its "valuation factor," which is defined as the greater of either zero percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed.

Also under current law, if a political subdivision transfers to another governmental unit the responsibility to provide a service that it provided in the previous year, the levy increase limit otherwise applicable in the current year is decreased to reflect the cost that the political subdivision would have incurred to provide that service. This bill repeals that provision.

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

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

