
Wisconsin Legislative Council

ACT MEMO



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2019 Wisconsin Act 126
[2019 Assembly Bill 310]

Levy Limit Referenda

BACKGROUND

Current law generally restricts a political subdivision from raising the property tax levy by a percentage that exceeds its valuation factor, which is the greater of the net increase in equalized property values due to new construction or zero percent. However, a political subdivision may raise the levy by a greater amount if its governing body adopts a resolution to that effect and the resolution is approved by referendum. The statutes include requirements related to the exact wording of the ballot question. The resolution and referendum must specify the allowable limit, the amount by which the proposed increase would exceed the allowable limit, and the purpose for which the increase would be used.

PRIOR LAW

Under prior law, a political subdivision would determine its allowable levy increase based on net new construction numbers provided by the Department of Revenue (DOR) annually in August. In practice, this has restricted the use of levy limit referenda to November elections.

Also under prior law, in an odd-numbered year, a political subdivision could call a special referendum to consider the question. In an even-numbered year, the political subdivision must have held the referendum at the next succeeding spring primary or election or partisan primary or general election following adoption of the resolution.

2019 WISCONSIN ACT 126

In lieu of a political subdivision generating its allowable increase in levy based on DOR net new construction reports, the act allows a political subdivision to use its best estimate of the amount by which a proposed increase would exceed the allowable limit, based on the most current data available to it, in order to adopt a resolution and hold a referendum to increase its levy. If an increase is ongoing, the ballot must include the amount of increase for each fiscal year in which the increase applies.

In addition, the act provides that, in any odd-numbered year, a political subdivision may call a special referendum on the same dates as when a school board may call for a referendum¹. Otherwise, a referendum must be held at the spring primary or election or partisan primary or general election.

Effective date: March 5, 2020

DWS:mca;ksm

¹ Current statutes limit school board referenda to the next regularly scheduled spring primary or election or partisan primary or general election following the adoption of a resolution, except that a referendum may not be held sooner than 70 days after the filing of the resolution. [s. 121.91 (3), Stats.]