

# State of Wisconsin



2005 Assembly Bill 58

Date of enactment:  
Date of publication\*:

## 2005 WISCONSIN ACT

AN ACT *to amend* 121.91 (2m) (e) (intro.), 121.91 (2m) (r) 1. (intro.), 121.91 (2m) (r) 2. (intro.) and 121.91 (4) (f); and *to create* 38.17, 66.0602, 121.91 (2m) (f) and 121.91 (2m) (g) of the statutes; **relating to:** school district revenue limits and levy limits for cities, villages, towns, counties, and technical college districts.

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

**SECTION 1.** 38.17 of the statutes is created to read:

**38.17 Levy limit.** (1) **DEFINITION.** In this section, "debt service" includes debt service on debt issued or reissued to fund or refund outstanding municipal obligations, interest on outstanding municipal obligations, and related issuance costs and redemption premiums.

(2) **LIMIT.** Except as provided in subs. (3) and (4), no district board may increase its levy for any fiscal year to an amount that exceeds its levy for the previous fiscal year multiplied by 1.026.

(3) **ADJUSTMENTS.** (a) 1. If a district board transfers to another governmental unit responsibility for providing any service that it provided in the preceding fiscal year, the limit otherwise applicable under sub. (2) in the current fiscal year is decreased by the cost that it would have incurred to provide that service, as determined by the department of revenue.

2. If a district board 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 previous fiscal year, the limit otherwise applicable under sub. (2) in the current fiscal year is increased by the cost of that service, as determined by the department of revenue.

(b) 1. If the amount of debt service for a district board in the preceding fiscal year is less than the amount of debt service needed in the current fiscal year, as a result of the district board adopting a resolution before July 1, 2005, authorizing the issuance of debt, the limit otherwise applicable under sub. (2) for the current fiscal year is increased by the difference between the 2 amounts, as determined by the department of revenue.

2. The limit otherwise applicable under this section does not apply to amounts levied by a district board for the payment of any general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding municipal obligations, interest on outstanding municipal obligations, or the payment of related issuance costs or redemption premiums, authorized on or after July 1, 2005, by a referendum and secured by the full faith and credit of the district.

(4) **REFERENDUM.** (a) 1. A district board may exceed the levy limit under sub. (2) if it adopts a resolution to that effect and the resolution is approved in a referendum. The resolution shall specify the proposed amount of increase in the levy beyond the amount that is allowed under sub. (2), and shall also specify whether the proposed amount of increase is for the next fiscal year only or if it will apply on an ongoing basis.

2. Except as provided in subd. 3., the district board may call a special referendum for the purpose of submit-

\* Section 991.11, WISCONSIN STATUTES 2003-04 : Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

ting the resolution to the electors of the district for approval or rejection.

3. A referendum to exceed the limit under sub. (2) for the levy for the 2006–07 fiscal year shall be held at the spring primary or election or September primary or general election in 2006.

(b) The district board shall publish type A, B, C, D, and E notices of the referendum under s. 10.01 (2). Section 5.01 (1) applies in the event of failure to comply with the notice requirements of this paragraph.

(c) The referendum shall be held in accordance with chs. 5 to 12. The district board shall provide the election officials with all necessary election supplies. The form of the ballot shall correspond substantially with the standard form for referendum ballots prescribed by the elections board under ss. 5.64 (2) and 7.08 (1) (a). The question shall be submitted as follows: “Under state law, the percentage increase in the levy of the .... (name of district) for the next fiscal year, .... (year), is limited to ....%, resulting in a levy of \$.... Shall the .... (name of district) be allowed to exceed this limit such that the percentage increase for the next fiscal year, .... (year), will be ....%, resulting in a levy of \$....?”.

(d) Within 14 days after the referendum, the district board shall certify the results of the referendum to the department of revenue. The limit otherwise applicable to the district under sub. (2) is increased for the next fiscal year by the amount approved by a majority of those voting on the question. If the resolution specifies that the increase is for one year only, the amount of the increase shall be subtracted from the base used to calculate the limit for the 2nd succeeding fiscal year.

(5) SUNSET. This section does not apply beginning 3 years after the effective date of this subsection .... [revisor inserts date].

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

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

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

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

(c) “Valuation factor” means a percentage equal to 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 zero.

(2) **LEVY LIMIT.** 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 incre-

ment that is calculated under s. 60.85 (1) (L) or 66.1105 (2) (i).

(3) **EXCEPTIONS.** (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 the cost that the political subdivision would have incurred to provide that service, as determined by the department of revenue.

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

(c) If a city or village annexes territory from a town, the city’s or village’s levy increase limit otherwise applicable under this section is increased in the current year by an amount equal to the town levy on the annexed territory in the preceding year and the levy increase limit otherwise applicable under this section in the current year for the town from which the territory is annexed is decreased by that same amount, as determined by the department of revenue.

(d) 1. If the amount of debt service for a political subdivision in the preceding year is less than the amount of debt service needed in the current year, as a result of the political subdivision adopting a resolution before July 1, 2005, authorizing the issuance of debt, the levy increase limit otherwise applicable under this section to the political subdivision in the current year is increased by the difference between these 2 amounts, as determined by the department of revenue.

2. The limit otherwise applicable under this section does not apply to amounts levied by a political subdivision for the payment of any general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision, interest on outstanding obligations of the political subdivision, or the payment of related issuance costs or redemption premiums, authorized on or after July 1, 2005, by a referendum and secured by the full faith and credit of the political subdivision.

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

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

(4) **REFERENDUM EXCEPTION.** (a) A political subdivision may exceed the levy increase limit under sub. (2) if

its governing body adopts a resolution to that effect and if the resolution is approved in a referendum. The resolution shall specify the proposed amount of increase in the levy beyond the amount that is allowed under sub. (2), and shall specify whether the proposed amount of increase is for the next fiscal year only or if it will apply on an ongoing basis. With regard to a referendum relating to the 2005 or 2007 levy, the political subdivision may call a special referendum for the purpose of submitting the resolution to the electors of the political subdivision for approval or rejection. With regard to a referendum relating to the 2006 levy, the referendum shall be held at the next succeeding spring primary or election or September primary or general election.

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

(c) The referendum shall be held in accordance with chs. 5 to 12. The political subdivision shall provide the election officials with all necessary election supplies. The form of the ballot shall correspond substantially with the standard form for referendum ballots prescribed by the elections board under ss. 5.64 (2) and 7.08 (1) (a). The question shall be submitted as follows: "Under state law, the increase in the levy of the .... (name of political subdivision) for the tax to be imposed for the next fiscal year, .... (year), is limited to ....%, which results in a levy of \$.... Shall the .... (name of political subdivision) be allowed to exceed this limit and increase the levy for the next fiscal year, .... (year), by a total of ....%, which results in a levy of \$....?"

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

(5) EXCEPTION, CERTAIN TOWNS. A town with a population of less than 2,000 may exceed the levy increase limit otherwise applicable under this section to the town if the annual town meeting or a special town meeting adopts a resolution to that effect. The limit otherwise applicable to the town under sub. (2) is increased in the

next fiscal year by the percentage approved by a majority of those voting on the question. Within 14 days after the adoption of the resolution, the town clerk shall certify the results of the vote to the department of revenue.

(6) SUNSET. This section does not apply beginning 3 years after the effective date of this subsection .... [revisor inserts date].

**SECTION 2m.** 70.58 of the statutes is renumbered 70.58 (1) and amended to read:

70.58 (1) ~~There~~ Except as provided in sub. (2), there is levied an annual tax of two-tenths of one mill for each dollar of the assessed valuation of the property of the state as determined by the department of revenue under s. 70.57, for the purpose of acquiring, preserving and developing the forests of the state and for the purpose of forest crop law and county forest law administration and aid payments, for grants to forestry cooperatives under s. 36.56, and for the acquisition, purchase and development of forests described under s. 25.29 (7) (a) and (b), the proceeds of the tax to be paid into the conservation fund. The tax shall not be levied in any year in which general funds are appropriated for the purposes specified in this section, equal to or in excess of the amount which the tax would produce.

**SECTION 2n.** 70.58 (2) of the statutes is created to read:

70.58 (2) In each of 3 years beginning with the property tax assessments as of January 1 of the year of the effective date of this subsection .... [revisor inserts date], the department of revenue shall adjust the rate of the tax imposed under this section so that the percentage increase from the previous year in the total amount levied under this section does not exceed 2.6 percent. The rate determined by the department of revenue for the property tax assessment as of January 1 of the 2nd year following the effective date of this subsection .... [revisor inserts date], shall be the rate of the tax imposed under this section for all subsequent years.

**SECTION 9m. Nonstatutory provisions; legislature.**

(1) The joint committee on finance shall ensure that in the substitute amendments offered by the committee to the 2005-07 and 2007-09 executive budget bills, sufficient general school aid for the 2005-07 and 2007-09 fiscal biennia is appropriated, or the per pupil revenue limit amounts for the 2005-07 and 2007-09 fiscal biennia are reduced, or both, so that the estimated statewide school property tax levy in 2005, in 2006, and in 2007 is no greater than the statewide school property tax levy in 2004.