



2009 BILL

1 **AN ACT** *to amend* 66.0602 (2) and 79.05 (2) (c); and *to create* 66.0602 (3) (e) 8.
2 of the statutes; **relating to:** creating an exception to local levy limits and the
3 expenditure restraint program.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

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:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill was prepared for the Joint Legislative Council's Special Committee on Emergency Management and Continuity of Government.

Under current levy limit statutes, which apply to the property tax levies that are imposed in December 2007 and 2008, a political subdivision (defined as a city, village, town, or county) may not increase its levy by a percentage that exceeds either the political subdivision's valuation factor, as calculated under current law, or a percentage specified in the statutes. Various exceptions are provided in current law to the requirement that political subdivisions not increase their levy by more than the specified percentage. This bill creates an additional exception, under which the levy limit does not apply to the amount that a political subdivision levies to pay the unreimbursed expenses related to

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an emergency declared by the governor, although currently no levy limits apply to a political subdivision's levy that is imposed after December 2008. The bill also specifies that the amount excluded for this purpose may not be added to a political subdivision's base levy after the unreimbursed expenses have been recovered.

Under the current expenditure restraint program, certain municipalities qualify for payments from the state if their municipal budget does not exceed the municipal budget for the previous year by more than the sum of an inflation factor and a valuation factor, calculated as specified in current law. In determining the budget for the current year and the previous year, certain costs are excluded. This bill creates an additional exclusion for unreimbursed expenses related to an emergency declared by the governor.

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

2 66.0602 (2) LEVY LIMIT. Except as provided, no political subdivision may
3 increase its levy in 2007 by a percentage that exceeds the political subdivision's
4 valuation factor or 3.86. The base amount in any year, to which the limit under this
5 section applies, may not include any amount to which sub. (3) (e) 8. applies.

6 **SECTION 2.** 66.0602 (3) (e) 8. of the statutes is created to read:

7 66.0602 (3) (e) 8. The amount that a political subdivision levies in that year to
8 pay the unreimbursed expenses related to an emergency declared under s. 166.03 (1)
9 (b) 1., including any amounts levied in that year to replenish cash reserves that were
10 used to pay any unreimbursed expenses related to that emergency. A levy under this
11 subdivision that relates to a particular emergency initially shall be imposed in the
12 year in which the emergency is declared or in the following year.

13 **SECTION 3.** 79.05 (2) (c) of the statutes is amended to read:

14 79.05 (2) (c) Its municipal budget; exclusive of principal and interest on
15 long-term debt and exclusive of revenue sharing payments under s. 66.0305 and,
16 recycling fee payments under s. 289.645, and unreimbursed expenses related to an
17 emergency declared under s. 166.03 (1) (b) 1.; for the year of the statement under s.
18 79.015 increased over its municipal budget as adjusted under sub. (6); exclusive of
19 principal and interest on long-term debt and exclusive of revenue sharing payments
20 under s. 66.0305 and, recycling fee payments under s. 289.645, and unreimbursed

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1 expenses related to an emergency declared under s. 166.03 (1) (b) 1.; for the year
2 before that year by less than the sum of the inflation factor and the valuation factor,
3 rounded to the nearest 0.10%.

4 (END)