



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT** *to amend* 66.0602 (2) (a), 66.0602 (2) (b), 66.0602 (3) (dm) and 66.0602
2 (3) (ds); and *to create* 66.0602 (2) (c) of the statutes; **relating to:** clarifying the
3 method of making certain calculations related to local levy limits (suggested as
4 remedial legislation by the Department of Revenue).

Analysis by the Legislative Reference Bureau

Current law authorizes an increase in the levy limit of a city, village, town, or county (political subdivision) upon the termination of a tax incremental district (TID) in the political subdivision or upon the subtraction of territory from a TID. The allowable increase is calculated based on a number of factors, one of which is the political subdivision's levy for the preceding year. The bill clarifies that this factor in the calculation consists of the political subdivision's actual adjusted levy, rather than its maximum allowable levy, for the preceding year.

The bill also clarifies how local levy limits are calculated when taking into consideration state personal property aid paid to a taxation district by the Department of Administration.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

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:

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Revenue and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

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

2 66.0602 (2) (a) Except as provided in subs. (3), (4), and (5), no political
3 subdivision may increase its levy in any year by a percentage that exceeds the
4 political subdivision's valuation factor. ~~Except as provided in~~ Subject to par. (b), the
5 base amount in any year, to which the limit under this section applies, shall be the
6 actual levy for the immediately preceding year. In determining its levy in any year,
7 a city, village, or town shall subtract any tax increment that is calculated under s.
8 59.57 (3) (a), 60.85 (1) (L), or 66.1105 (2) (i). The base amount in any year, to which
9 the limit under this section applies, may not include any amount to which sub. (3)
10 (e) 8. applies.

NOTE: This SECTION replaces the phrase "except as provided in" with "subject to" in its reference to s. 66.0602 (2) (b), Stats.

NOTE: This SECTION deletes unnecessary, duplicative language.

11 **SECTION 2.** 66.0602 (2) (b) of the statutes, as affected by 2021 Wisconsin Act 61,
12 is amended to read:

13 66.0602 (2) (b) For purposes of par. (a), in 2018, and in each year thereafter, the
14 base amount to which the limit under this section applies is the actual levy for the
15 immediately preceding year, plus the amount of the payment under s. 79.096, ~~and~~
16 ~~the levy limit is the base amount multiplied by the valuation factor, minus the~~

1 ~~amount of the payment under s. 79.096 in the current year~~, except that the
2 adjustments for payments received under s. 79.096 do not apply to payments
3 received under s. 79.096 (3) for a tax incremental district that has been terminated.
4 The base amount in any year to which the limit under this section applies may not
5 include any amount to which sub. (3) (e) 8. applies.

NOTE: This SECTION clarifies that an exception for purposes of determining the base amount for a levy limit continues to apply in 2018 and in each year thereafter. The exception provides that the base amount may not include any amount used to pay unreimbursed expenses for a state of emergency declared by the governor. This SECTION also deletes unnecessary, duplicative language.

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

7 66.0602 (2) (c) The limit under this section shall be reduced by the amount of
8 the payment under s. 79.096 in the following year, as determined by the department
9 of revenue.

NOTE: This SECTION provides that the levy limit is reduced by the amount of the personal property aid payment.

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

11 66.0602 (3) (dm) If the department of revenue does not certify a value
12 increment for a tax incremental district for the current year as a result of the
13 district's termination, the levy increase limit otherwise applicable under this section
14 in the current year to the political subdivision in which the district is located is
15 increased by an amount equal to the political subdivision's ~~maximum allowable levy~~
16 ~~for the immediately preceding year~~ base amount under sub. (2), multiplied by a
17 percentage equal to 50 percent of the amount determined by dividing the value
18 increment of the terminated tax incremental district, calculated for the previous
19 year, by the political subdivision's equalized value, exclusive of any tax incremental
20 district value increments, for the previous year, all as determined by the department
21 of revenue.

