

## Chapter Tax 21

## COUNTY TAX LEVY RATE LIMIT

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Note: Chapter Tax 21 was created as an emergency rule effective October 12, 1993.

**Tax 21.01 Purpose.** The purpose of this chapter is to establish standards and definitions for determining the county tax levy rate limit under ss. 66.77, 67.04, and 67.045, Stats.

History: Cr. Register, September, 1994, No. 465, eff. 10-01-94.

**Tax 21.02 Scope.** This chapter is applicable to all counties.

History: Cr. Register, September, 1994, No. 465, eff. 10-01-94.

**Tax 21.03 Definitions.** In this chapter:

(1) "Base-year," means 1992 or another year that is approved by referendum under s. 66.77 (3), Stats.

(2) "Capital expenditure," means an outlay of funds for the acquisition or improvement of a fixed asset which extends the life or increases the productivity of the asset.

(3) "County purpose levy" means the levy consisting of the following items of the county clerk's tax apportionment sheet: state special charges assessed to the county, taxes levied by the county for county purposes which are uniformly levied over the entire county, and includes the levy for libraries in a county within which there are no municipal libraries, regardless of whether it is levied uniformly over the entire county. The county purpose levy shall not include taxes levied for the following special purposes which are not levied over the entire county: bridge aids, libraries, county handicapped children's education board, sanitation, solid waste or recycling costs, and public health. For the tax levy of 1993, payable 1994, and for subsequent years, the county purpose levy shall include all items except for the above mentioned special purpose taxes not levied over the entire county, which are shown in section B of the county tax apportionment sheet.

(4) "Department" means the department of revenue.

(5) "Operating expenses" means the type of expenditures described in s. 67.04 (1) (ag), Stats., and includes expenditures incurred in the course of ordinary activities of the county.

History: Cr. Register, September, 1994, No. 465, eff. 10-01-94.

**Tax 21.04 Compliance.** The department of revenue shall provide reporting forms to the counties by September 1 each year. The counties shall file the completed reporting form with the department on or before December 15 each year. For reporting purposes, the "County Tax Rate" shall be carried out 9 places beyond the decimal point. Calculation errors

which could result in penalties against a county for the sum of "\$100" or less will not be assessed.

History: Cr. Register, September, 1994, No. 465, eff. 10-01-94.

**Tax 21.05 Levy rate limit adjustments.** The following instructions apply to adjusting a county's levy rate limit to account for services transferred to or from other governmental units. Whenever a county is authorized to either transfer to or receive from another governmental unit responsibility for providing any service, the county shall adjust its county purpose levy for the portion of the service financed by the county purpose levy. The county purpose levy adjustment shall be supported by documentation provided to the department. The "Comprehensive Annual Financial Reports (CAFR)" or "Certified Audited Financial Statements" shall be provided by the county to the department for use in the verification process.

History: Cr. Register, September, 1994, No. 465, eff. 10-01-94.

**Tax 21.06 Standards for debt issuance conditions.** The standards to be used by the governing body of a county in adopting a resolution pursuant to s. 67.045 (1) (b), Stats., are identified below:

(1) The equalized value growth permitted in determining the allowable debt levy rate is the most recent 5 year historical average percentage dollar growth in equalized values of taxable property in the county exclusive of any tax incremental district value increment.

(2) The growth in the allowable annual debt levy is the amount determined by multiplying the dollar growth in equalized value as determined under sub. (1), by the base year debt levy rate.

(3) The allowable debt levy rate may be increased in excess of the base year debt levy rate by the amount of the tax levy necessary to refund balloon payments on debt authorized prior to the effective date of this chapter August 12, 1993. For debt authorized after the effective date, the payment on refunding balloon payments shall not cause the debt levy rate to exceed the base year debt levy rate.

Note: The date referred to in sub. (3) is the effective date of 1993 Wis. Act 16. The effective date of ch. Tax 21 is October 1, 1994.

(4) Payments on variable interest rate debt authorized prior to the effective date may increase the debt levy rate for the year of payment. For debt authorized after the effective date, the payments on debt with a variable interest rate shall not cause the debt levy rate to exceed the base year debt levy rate.

(5) When past and anticipated revenues are used to abate the debt levy under a resolution which authorizes debt, the revenues determined to be available for use shall be identified in the supporting documentation provided to the department. The determination of future revenues shall be based on findings in management studies conducted for this purpose.

(6) The state aid estimates used under the resolution authorizing debt shall be the amounts estimated by the state agency providing the aid. When the state agency does not provide an estimate, any anticipated increases shall be based on factual information such as state appropriation increases or other information made available by the state agency.

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(7) When it is agreed between a county and its independent certified public accountants that in accordance with generally accepted accounting principles, a capital expenditure can be associated with a project which requires the issuance of long term debt, then such an expenditure may be included in the determination of the debt levy rate.

(8) In all instances where bonds or promissory notes are issued under s. 67.045 (1) (b), Stats., the county shall send to the department a copy of the supporting documentation including findings in management studies which address the standards listed in subs (1) to (7) which were used in constructing reasonable expectations or assumptions that would not cause the county to exceed the allowable legal debt levy rate. Additionally, a copy of the governing body's adopted resolution, together with the voting results and the completed county tax levy rate limit reporting form shall be filed with the department within 10 business days of the final adoption.

Note: The required reporting form which the counties shall use to determine their applicable operating levy and debt levy rate limit will be prescribed yearly and can be obtained from the department.

History: Cr. Register, September, 1994, No. 465, eff. 10-01-94.