



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1253/1
EVM:kjf:ph

DOA:.....Quinn, BB0406 – Make permanent provision allowing use of unused levy limit capacity upon supermajority vote

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

LOCAL GOVERNMENT

Generally under current law, local levy limits are applied to the property tax levies that are imposed by cities, villages, towns, or counties (political subdivisions) in December of each year. Current law prohibits a political subdivision from increasing its levy by a percentage that exceeds its “valuation factor,” which is defined as the greater of either zero percent or the percentage change in the political subdivision’s equalized value due to new construction, less improvements removed.

Current law contains a number of exceptions to the levy limit. Under one of these exceptions, for 2010, 2011, and 2012, a political subdivision may increase its current year levy limit, up to a maximum increase of 0.5 percent of the actual levy of the prior year, if the allowable levy from the prior year was greater than the actual levy in that year. For 2010 and 2011, this levy limit increase may occur only if the political subdivision’s governing body approves of the increase by a supermajority vote and, for a town, a majority vote of the town meeting.

This bill makes permanent the exception allowing an increase of a current year levy limit when the prior year’s actual levy was less than the allowable limit. The increase must be authorized by a supermajority vote of the political subdivision’s governing body and, for a town, a majority vote of the town meeting.

For further information see the *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:

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

66.0602 (2m) NEGATIVE ADJUSTMENT. If a political subdivision's levy 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 and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than it was in the previous year, the political subdivision shall reduce its levy limit in the current year by an amount equal to the amount that its levy was reduced as described in this subsection. ~~This subsection does not apply to any political subdivision that does not increase its levy increase limit as allowed under sub. (3) (f) 1.~~

SECTION 2. 66.0602 (3) (f) 1. of the statutes is amended to read:

66.0602 (3) (f) 1. Subject to subd. 3., if a political subdivision's allowable levy under this section in 2010 the prior year was greater than its actual levy in 2010 that year, the levy increase limit otherwise applicable under this section to the political subdivision in 2011 the next succeeding year is increased by the difference between these 2 amounts the prior year's allowable levy and the prior year's actual levy, as determined by the department of revenue, up to a maximum increase of 0.5 percent of the actual levy in 2010 that prior year.

SECTION 3. 66.0602 (3) (f) 2. of the statutes is repealed.

SECTION 4. 66.0602 (3) (f) 3. (intro.) of the statutes is amended to read:

66.0602 (3) (f) 3. (intro.) The adjustment described in ~~subds. subd. 1. and 2.~~ may occur only if the political subdivision's governing body approves of the adjustment by one of the following methods:

SECTION 5. 66.0602 (3) (f) 4. of the statutes is repealed.

(END)