
Wisconsin Legislative Council

AMENDMENT MEMO



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2023 Assembly Bill 2

**Assembly Substitute
Amendment 2**

2023 ASSEMBLY BILL 2

Current state law imposes a property tax that is based on the assessed value of taxable real and personal property in the state. 2023 Assembly Bill 2 provides that no property tax shall be levied against items of personal property, beginning with the property tax assessments as of January 1, 2023. It repeals various sections pertaining to the personal property tax and related references in other sections. It expands the exemption from property taxation to include all business and manufacturing personal property. It requires certain items to be assessed as real property, including improvements on government-owned property, and all buildings, improvements, and fixtures on leased lands, exempt lands, forest croplands, and managed forest lands. The bill also requires the Department of Revenue (DOR) to recalculate the base value of tax incremental districts affected by the repeal of the personal property tax and makes other technical changes related to the repeal of the personal property tax. Under the initial applicability provision, the changes will first apply to the property tax assessments as of January 1, 2023.

ASSEMBLY SUBSTITUTE AMENDMENT 2

Assembly Substitute Amendment 2 removes the provisions of the bill relating to repeal of the personal property tax and instead provides for elimination of the Wisconsin Technical College System (WTCS) operating levy authority, and increases state aid to technical college districts to reflect that elimination.

Under current law, each technical college district board may levy property taxes for capital improvements, acquisition of equipment, and the operating and maintenance expenses of the technical college district. With respect to its levy for operating expenses, current law also specifies a levy limit on that levy. This levy limit may be increased annually by a valuation factor based on increases in net new construction within the district, and may also be increased beyond the statutory limit pursuant to passage of a district-wide referendum. Additionally, current law provides for payment of state aid to the WTCS Board, to be distributed to each technical college district for purposes of property tax relief. The state aid payments are made from a sum sufficient appropriation under s. 20.292 (1) (dp), Stats.

Assembly Substitute Amendment 2 repeals the authority of a technical college district board to levy property taxes for the operating and maintenance expenses of the district, and sunsets the technical college district levy limit statutes effective June 30, 2023.

With respect to payment of state aid to technical college districts, the amendment repeals and recreates the state aid payment as follows:

- For the 2023-24 fiscal year, the WTCS Board must distribute to each district board an amount equal to the sum of property tax relief paid under the prior law, the district's tax levy (excluding amounts levied for payment of capital debts), and the valuation factor paid to the district in the prior fiscal year.

- For the 2024-25 fiscal year, and annually thereafter, the WTCS Board must distribute to each district board the amount distributed in the prior year plus the valuation factor in the current year.

State aid under the substitute amendment would continue to be paid from the existing sum sufficient appropriation under s. 20.292 (1) (dp), Stats. With respect to the valuation factor described above, the substitute amendment specifies that the valuation factor is calculated based on statewide change in net new construction, rather than the change in net new construction that is specific to each technical college district.

BILL HISTORY

2023 Assembly Bill 2 was introduced on February 6, 2023 by Representatives Knodl, Armstrong, and others. The Assembly Committee on Ways and Means held a public hearing on June 8, 2023. Representative Macco offered Assembly Substitute Amendment 2 on June 15, 2023. On the same day, the committee recommended adoption of Assembly Substitute Amendment 2, on a vote of Ayes, 7; Noes, 3; and recommended passage of the bill, as amended, on a vote of Ayes, 7; Noes, 3.

For a full history of the bill, visit the Legislature's [bill history page](#).

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