



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-4617/1  
MES:cjs&klm

**2019 BILL**

1     **AN ACT to amend** 66.0602 (3) (dm) and 66.0602 (3) (ds) of the statutes; **relating**  
2             **to:** clarifying how the department of revenue calculates a local government's  
3             levy limit when a tax incremental district terminates or territory is subtracted  
4             from a tax incremental district (suggested as remedial legislation by the  
5             Department of Revenue).

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***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.

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.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**BILL**

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) (b) of the statutes is amended to read:

2       66.0602 (2) (b) For purposes of par. (a), in 2018, and in each year thereafter, the  
3 base amount to which the limit under this section applies is the actual levy for the  
4 immediately preceding year, plus the amount of the payment under s. 79.096, and  
5 the levy limit is the base amount multiplied by the valuation factor, minus the  
6 amount of the payment under s. 79.096. The base amount in any year, to which the  
7 limit under this section applies, may not include any amount to which sub. (3) (e) 8.  
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.

9       **SECTION 2.** 66.0602 (3) (dm) of the statutes is amended to read:

10       66.0602 (3) (dm) If the department of revenue does not certify a value  
11 increment for a tax incremental district for the current year as a result of the  
12 district's termination, the levy increase limit otherwise applicable under this section  
13 in the current year to the political subdivision in which the district is located is  
14 increased by an amount equal to the political subdivision's ~~maximum allowable levy~~  
15 ~~for the immediately preceding year~~ base amount under sub. (2), multiplied by a  
16 percentage equal to 50 percent of the amount determined by dividing the value  
17 increment of the terminated tax incremental district, calculated for the previous  
18 year, by the political subdivision's equalized value, exclusive of any tax incremental  
19 district value increments, for the previous year, all as determined by the department  
20 of revenue.

**BILL**

NOTE: This SECTION provides that the actual adjusted levy, rather than the maximum allowable levy, for the preceding year is used to calculate the allowable increase in the levy limit when a tax incremental district is terminated.

1           **SECTION 3.** 66.0602 (3) (ds) of the statutes is amended to read:

2           66.0602 (3) (ds) If the department of revenue recertifies the tax incremental  
3 base of a tax incremental district as a result of the district's subtraction of territory  
4 under s. 66.1105 (4) (h) 2., the levy limit otherwise applicable under this section shall  
5 be adjusted in the first levy year in which the subtracted territory is not part of the  
6 value increment. In that year, the political subdivision in which the district is located  
7 shall increase the levy limit otherwise applicable by an amount equal to the political  
8 subdivision's ~~maximum allowable levy for the immediately preceding year~~ base  
9 amount under sub. (2), multiplied by a percentage equal to 50 percent of the amount  
10 determined by dividing the value increment of the tax incremental district's territory  
11 that was subtracted, calculated for the previous year, by the political subdivision's  
12 equalized value, exclusive of any tax incremental district value increments, for the  
13 previous year, all as determined by the department of revenue.

NOTE: This SECTION provides that the actual adjusted levy, rather than the maximum allowable levy, for the preceding year is used to calculate the allowable increase in the levy limit when territory is subtracted from a tax incremental district.

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(END)