

1 **AN ACT** *to create* 66.0602 (3) (e) 9. and 121.91 (4) (p) of the statutes; **relating to:**
 2 exceptions to county and municipal levy limits and school district revenue limits for
 3 expenditures related to the implementation of service consolidation or cooperation,
 4 or to the implementation of political subdivision or school district consolidation.

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

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This draft was prepared for the Joint Legislative Council’s Special Committee Local Service Consolidation.

In recent legislative sessions, county and municipal levy limits have been imposed subject to a sunset provision and then reinstated by the legislature. Most recently, 2009 Wisconsin Act 28, the 2009–11 biennial budget act, reauthorized the levy limit program to apply to taxes levied in 2009 and 2010. Under the program, county and municipal levy increases are limited, with certain exceptions, to the greater of 3% or the percentage change in the local government’s equalized value due to new construction, less improvements removed.

With regard to exceptions from the levy limit, the program currently allows levy limit adjustments in cases where one political subdivision that has entered into an intergovernmental cooperation agreement to jointly provide a service on a consolidated basis with another political subdivision agrees to lower its allowable levy in order to allow the 2nd political subdivision to increase its allowable levy, so that the resulting levies achieve a more equitable distribution of payments for services.

Additionally, under current law, school districts are subject to revenue limits under s. 121.91, stats. If a school district exceeds its revenue limit, the superintendent of public instruction shall deduct from the state aid payment to the school district an amount equal to the amount by which the district’s revenue exceeds its revenue limit.

This bill draft would provide an exception from the levy limit for the amount that a county, city, village, or town levies to implement the consolidation, or cooperation for the provision, of one or more services, or to implement the consolidation of political subdivisions. The bill

