



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRB-1819/1  
TKK&MES:ahc

## 2017 BILL

1     **AN ACT to create** 66.0602 (3) (e) 10. and 121.91 (4) (om) of the statutes; **relating**  
2             **to:** revenue limit adjustment for a school district for costs incurred to replace  
3             lead pipe water service lines and exceptions from local levy limits for lead pipe  
4             water service line replacement purposes.

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### *Analysis by the Legislative Reference Bureau*

This bill creates a revenue limit adjustment for a school district that incurs costs to replace lead pipe water service lines to school buildings in the school district. Current law generally limits the total amount of revenue per pupil a school district may receive from general school aids and property taxes in a school year to the amount of revenue received per pupil in the previous school year. Under the bill, a school district that adopts a resolution to undertake a project to replace lead pipe water service lines may increase its revenue limit by the amount the school district spends on the improvements in a school year, including amounts spent for debt service on a bond, note, or state trust fund loan used to finance the project. The term of the bond, note, or trust fund loan may not exceed 20 years.

This bill also creates an exception to the levy limits for cities, villages, towns, and counties for amounts levied for purposes related to the replacement of lead pipe water service lines owned by the political subdivision.

Generally under current law, local levy limits are applied to the property tax levies that are imposed in December of each year. Current law prohibits any 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

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in the political subdivision's equalized value due to new construction, less improvements removed. In addition, the calculation of a political subdivision's levy does not include any tax increment that is generated by a tax incremental district.

Current law contains a number of exceptions to the levy limit, such as amounts a county levies for a countywide emergency medical system, for a county children with disabilities education board, and for certain bridge and culvert construction and repair. In addition, a political subdivision may exceed the levy limit that is otherwise applicable if its governing body adopts a resolution to do so and if that resolution is approved by the electors in a referendum.

This bill creates another exception to local levy limits. Under the bill, amounts levied by a political subdivision for purposes related to certain lead pipe water service lines do not apply to the levy limit that is otherwise applicable. The bill first applies to a levy that is imposed in December 2017.

For further information see the *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:***

1           **SECTION 1.** 66.0602 (3) (e) 10. of the statutes is created to read:

2           66.0602 (3) (e) 10. The amount that a political subdivision levies in that year  
3 for purposes related to the replacement of lead pipe water service lines owned by the  
4 political subdivision.

5           **SECTION 2.** 121.91 (4) (om) of the statutes is created to read:

6           121.91 (4) (om) 1. If a school board adopts a resolution to do so, the limit  
7 otherwise applicable to a school district under sub. (2m) in any school year is  
8 increased by the amount spent by the school district in that school year on a project  
9 to replace lead pipe water service lines to school buildings in the school district,  
10 including the payment of debt service on a bond or note issued, or a state trust fund  
11 loan obtained, to finance the project, if the bond or note issued or state trust fund loan  
12 obtained to finance the project is issued for a term not exceeding 20 years. If a school  
13 board issues a bond or note or obtains a state trust fund loan to finance a project  
14 described in this subdivision, a resolution adopted by a school board under this

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1 subdivision is valid for each school year in which the school board pays debt service  
2 on the bond, note, or state trust fund loan.

3 2. Any additional revenue received by a school district under this paragraph  
4 shall not be included in the base for determining the school district's limit under sub.  
5 (2m) for the following school year.

6 **SECTION 3. Initial applicability.**

7 (1) The treatment of section 66.0602 (3) (e) 10. of the statutes first applies to  
8 a levy that is imposed in December 2017.

9 (END)