

CO-SPONSOR MEMORANDUM

To: All Legislators

From: Senator Tim Carpenter

Re: Co-Sponsorship of LRB-1819 Levy Limit Exception for Replacing Lead Pipes in Schools and Municipal Buildings

Deadline: March 17, 2017

It is reported that toxic metal, lead, lurks in at least 200,000 water service lines in Wisconsin. Schools, counties and municipalities are putting together strategies to remove and replace these lines after the disaster in Flint Michigan exposed so many children to lead poisoning.

This bill will help make sure any school district, county, or municipality is not prevented from making such costs by fears that such expenditures will force other cuts due to property tax levy limits. This bill is modeled in part on the statutes which cover revenue limit adjustment available to school districts for undertaking certain energy efficiency measures (s. 121.91)

A copy of the bill is attached.

If you would like to be added to this bill, please let my office know by return email or by calling my office (6-8535) by Noon on March 17, 2017.

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 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.