



131 W. Wilson St., Suite 505
Madison, Wisconsin 53703

(608) 267-2380
(800) 991-5502
FAX: (608) 267-0645

e-mail: league@lwm-info.org
www.lwm-info.org

To: Wisconsin State Legislature
From: Lobbying Corps of the League of Wisconsin Municipalities
Date: February 18, 2015
Re: Levy Limit Flexibility

The state has imposed strict levy limits on municipalities since 2005. Under the current limit, a municipality may increase its property tax levy over the prior year by the percentage increase in equalized value from net new construction. While every community is different, in 2014, the growth in the state's total equalized value from net new construction was 1.12%.

Levy limits this strict are unsustainable and are negatively impacting the ability of municipalities to provide the services their citizens and businesses need. The League seeks the following adjustments to levy limits:

1. **Allow communities to carry forward all unused levy capacity.** End the "use it or lose it" mentality by restoring to municipalities the ability to fully carry forward any unused levy capacity from the prior year. Current law severely restricts the amount of unused levy capacity that municipalities can carry forward to 1.5% of the community's total prior year levy. We urge the Legislature to remove the cap on carrying forward.
2. **Tie Levy Limits to Rate of Inflation.** The minimum allowable annual growth in a community's tax levy should be at least the rate of inflation. Anything less is unrealistic and fails to recognize that the cost of providing critical municipal services increases by at least the rate of inflation annually.

The League urges you to restore at least some minimal local control to municipal budgeting decisions by modifying levy limits in the manner described above. Thanks for considering our comments.