2026 ANNUAL CONFERENCE

WISCONSIN COUNTIES ASSOCIATION

Maximizing Potential Levy Limit Strategies

8:00 – 9:00 am

Maximizing Potential Levy Limit Strategies: Or What to Do *When the Levee Breaks*

WCA Annual Conference
September 22, 2026

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GENERAL OVERVIEW:

1. When the *Levy* Breaks vs. When the *Levee* Breaks
2. What Goes Into the Levy?
3. Strategies to Maximize the Levy

WHEN THE *LEVY* BREAKS

VS.

WHEN THE *LEVEE* BREAKS

WHAT GOES INTO THE LEVY?

Except as provided in subs. (3), (4), and (5), no political subdivision may increase its levy in any year by a percentage that exceeds the political subdivision's valuation factor. Except as provided in par. (b), the base amount in any year, to which the limit under this section applies, shall be the actual levy for the immediately preceding year. In determining its levy in any year, a city, village, or town shall subtract any tax increment that is calculated under s. 59.57(3)(a), 60.85(1)(L), or 66.1105(2)(i). The base amount in any year, to which the limit under this section applies, may not
include any amount to which sub. (3)(e)8. applies.

Wis. Stat. 66.0602(2)(a)

IN ENGLISH?

As a starting point, no political subdivision (city, village, town, or county) may increase its levy in any year by a percentage that exceeds that political subdivision’s valuation factor.

Valuation factor is the higher of: (1) 0% and (2) net new construction.

As a general rule, the valuation factor is applied to the actual levy for the immediately preceding year.

BUT WHAT ABOUT THE EXCEPTIONS?

"Except as provided in subs. (3), (4), and (5) …"

- If a political subdivision transfers to another governmental unit responsibility for providing any service that the political subdivision provided in the preceding year, the levy increase limit … is decreased to reflect the cost that the political subdivision would have incurred to provide that service, as determined by the department of revenue.
- If a political subdivision increases the services that it provides by adding responsibility for providing a service transferred to it from another governmental unit that provided the service in the preceding year, the levy increase limit … is increased to reflect the cost of that service, as determined by the department of revenue.

BUT WHAT ABOUT THE EXCEPTIONS?

"Except as provided in subs. (3), (4), and (5) …"

- The [levy] limit otherwise applicable … does not apply to amounts levied by a political subdivision for the payment of any general obligation debt service …
- The amount that a county levies in that year for a county children with disabilities education board.
- The amount that a county levies in that year under s. 82.08(2) for bridge and culvert construction and repair.
    - Note: This does not mean <u>all</u> bridge and culvert construction and repair.

BUT WHAT ABOUT THE EXCEPTIONS?

"Except as provided in subs. (3), (4), and (5) …"

- The amount that a county levies in that year to make payments to public libraries under s. 43.12.
- The amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under s. 66.0621 by the political subdivision …
- The amount that a county levies in that year for a countywide emergency medical system.
- The amount that a political subdivision levies in that year to pay the unreimbursed expenses related to an emergency declared under s. 323.10 …

BUT WHAT ABOUT THE EXCEPTIONS?

"Except as provided in subs. (3), (4), and (5) …"

- The political subdivision's share of any refund or rescission determined by the department of revenue and certified under s. 74.41(5).
- If a political subdivision hasn't been at its maximum allowable levy, under certain circumstances, the political subdivision may increase its levy as if it had been at its maximum allowable levy.

BUT WHAT ABOUT THE EXCEPTIONS?

"Except as provided in subs. (3), (4), and (5) …"

- If a political subdivision enters into an intergovernmental cooperation agreement under s. 66.0301 to jointly provide a service on a consolidated basis with another political subdivision, and if one of the political subdivisions increases its levy from the previous year by an amount the parties to the agreement is needed to provide a more equitable distribution of payments for services received, the levy increase limit otherwise applicable … to that political subdivision in the current year is increased by that agreed amount.
  - The other political subdivision shall decrease its levy by the same amount.

BUT WHAT ABOUT THE EXCEPTIONS?

"Except as provided in subs. (3), (4), and (5) …"

- For a political subdivision that receives a payment under s. 79.04(5)(a) or (b) [Utility Aid Payments regarding Decommissioned or Closed Power Plants], the limit otherwise applicable … is increased by the amount that the political subdivision levies in that year to replace a revenue reduction incurred under s. 79.04(5)(a) or (b).
- A political subdivision may exceed the levy increase limit … if its governing body adopts a resolution to that effect and if the resolution is approved in a referendum.

THE NEGATIVE ADJUSTMENT

If a political subdivision receives revenues that are designated to pay for a covered service that was funded in 2013 by the levy of the political subdivision, the political subdivision shall reduce its levy limit in the current year by an amount equal to the estimated amount of fee revenue collected for providing the covered service, less any previous reductions made under this subdivision, not to exceed the amount funded in 2013 by the levy of the political subdivision.

- “Covered service” means garbage collection, fire protection, snow plowing, street sweeping, or storm water management, except that garbage collection may not be a covered service for any political subdivision that owned and operated a landfill on January 1, 2013.

WHAT DOES THAT MEAN FOR COUNTIES? OR STRATEGIES TO MAXIMIZE THE LEVY

QUESTION #1: IS THE LEVY AT ITS MAX?

Wis. Stat. 66.0602(3)(f)

- Was the County's allowable levy in the prior year greater than its actual levy in that year?
- If so, under Wis. Stat. 66.0602(3)(f), "the levy increase otherwise applicable under this section to the [County] in the next succeeding year is increased by the difference … up to a maximum increase of 1.5% of the actual levy in that prior year."
    - Note: This provision requires a majority vote of the County Board
      if the increase is 0.5% of the actual levy or less, and a 3/4 vote if the increase is more than 0.5% of the actual levy.

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QUESTION #1: IS THE LEVY AT ITS MAX?

Wis. Stat. 66.0602(3)(fm)

- Alternatively, over the last five years, does the County have an "unused" amount of its valuation factor?
- If so, under Wis. Stat. 66.0602(3)(fm), the County may increase its levy by up to 5%.
    - Notes: This must be approved by a 2/3 majority vote of the County Board, cannot be done in the same year that a County makes an adjustment under Wis. Stat. 66.0602(3)(f), and requires that the County have less general obligation debt in the current year than it did in the previous year.

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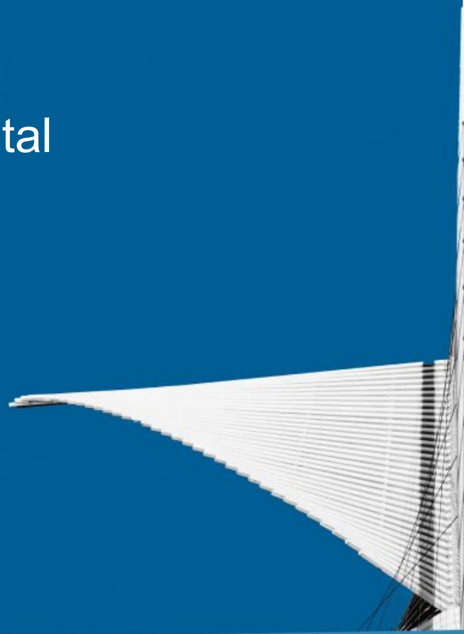
QUESTION #2: DO ANY OF THE EXCEPTIONS HELP?

- Transfer of service to the County?
- Consolidation of services pursuant to an intergovernmental cooperation agreement?
- Countywide emergency medical services?
- General obligation debt issuance?
- Referendum?



DOES GENERAL OBLIGATION DEBT ISSUANCE HELP?

- The proceeds of any municipal bonds or notes issued by a county under [Wis. Stat. 67] shall not be used to fund the operating expenses of the general fund of the county or to fund the operating expenses of any special revenue fund of the county that is supported by taxes.

- “Operating Expenses” include wages, salaries, fringe benefits, materials, supplies, contractual services, equipment with a useful life of less
than one year and other costs specified by the Department of Revenue by rule.
- “Operating Expenses” do not include ancillary charges incurred in the acquisition, development or construction of real property or property

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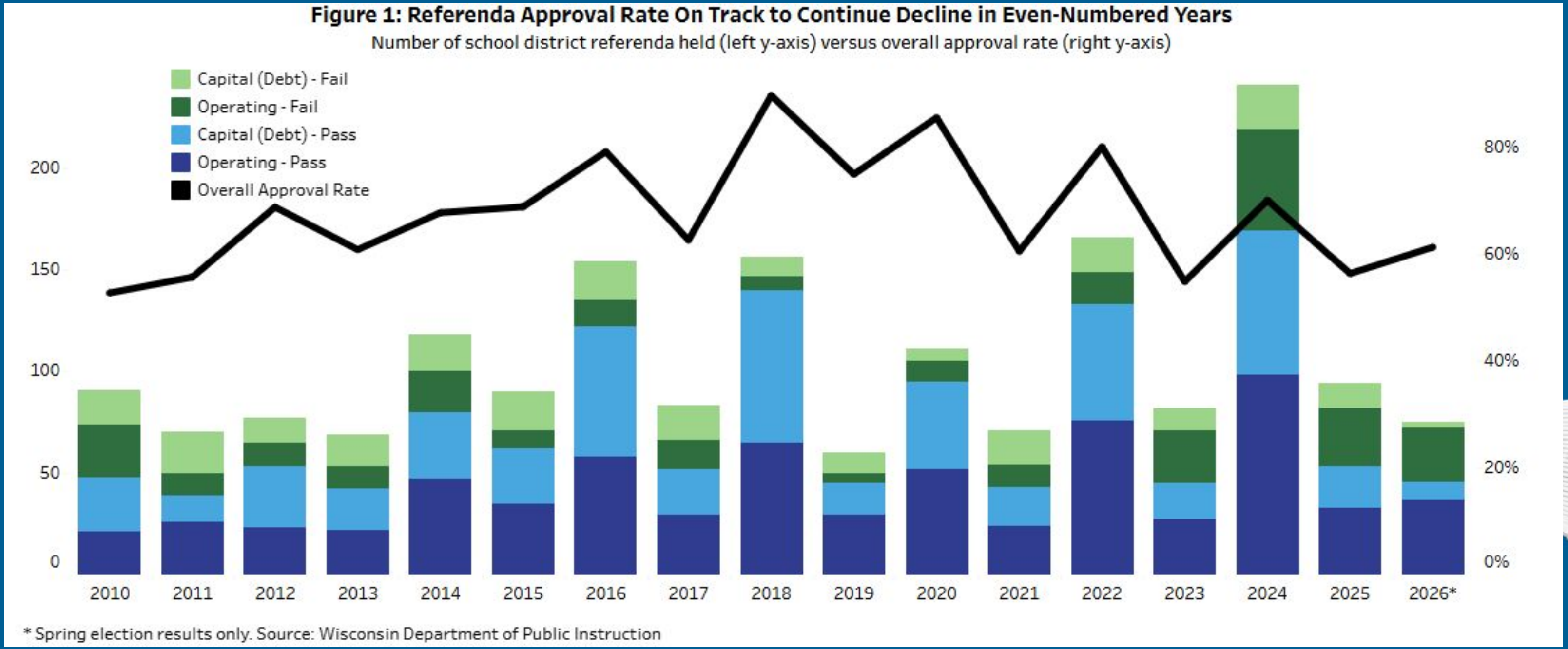
- So:
  - General obligation debt can be used for capital expenses.
  - General obligation debt can be used:
    - To comply with a court order or judgment.
    - To provide liability insurance, property insurance, or risk management services under Wis. Stat. 611.11(4).

DOES A REFERENDUM HELP?



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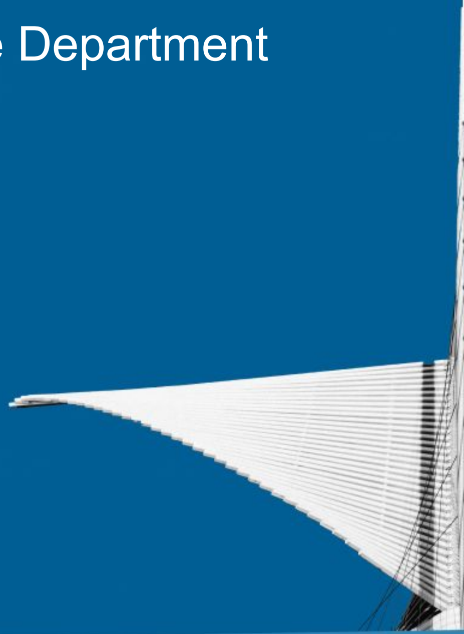
DOES A REFERENDUM HELP?

- Referenda are not a particularly common tool among cities, villages, towns, and counties.

    - Often tied to a specific purpose (such as public safety or emergency medical services)
    - Spring 2026: 9 such referenda (8 municipalities and Marinette County); 3 were successful

QUESTION #3: ARE THERE OTHER SOURCES OF REVENUE?

- Does the County qualify for an Innovation Grant from the Department of Revenue?
    - Second application period open in Fall 2026.



Q&A

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THANK YOU.