

**Q. Our town would like to seek town elector approval to exceed the levy limit this year. Are we able to accomplish this with a town elector meeting?**

A. Towns with a population of less than 3,000 may use the process outlined under s. 66.0602(5), Wis. Stat. to exceed the allowable levy limit. Remember that the first step in this process is for the town board to adopt a resolution supporting a percentage increase in the allowable levy and calling for the question to be placed on the agenda of a special town elector meeting. The elector meeting must be noticed at least 15 days in advance, so the town board resolution needs to be adopted far enough in advance to allow the clerk time to give notice as required under s. 60.12, Wis. Stat. Next, during the town elector meeting, the electors must adopt a resolution by majority vote endorsing the town board's resolution. In addition, the electors must vote to adopt the total tax levy for 2016, to be collected in 2017. Finally, within 14 days after the electors adopt the resolution endorsing the levy increase, the town clerk must send a certified copy of the resolution with the results of the vote to the Wisconsin Department of Revenue. Sample forms for these various steps will be made available on the WTA website.

**Q. If the electors endorse the town board's resolution to exceed the allowable levy limit this year by resolution, do we need to keep following this special process to exceed the levy limit each year or is once enough?**

A. If the electors endorse the board's resolution to exceed the levy limit this year, the town's base levy limit for next year will automatically be increased. For example, if the town's allowable tax levy for this year is \$100,000, the board might adopt a resolution to exceed the allowable levy limit by 20% for a total town tax levy of \$120,000 in 2016. If the electors endorse the resolution and approve a total town tax levy of \$120,000 in 2016, the town's allowable levy limit for 2017 will be \$120,000 (plus or minus any WI DOR adjustments due to other factors). The town board would then be able to ask the electors to approve a town tax levy up to \$120,000 in 2017 without having to follow any special steps.

The electors would then be free to approve a town tax levy up to \$120,000, but may approve less if they wish. If they approve less, the town's allowable tax levy would be reduced by a like amount for the next year. For example, if they approve a levy of \$95,000 in 2017, the town's allowable levy limit in 2018 would be reduced to \$95,000 assuming all other factors remain the same. If the board wants to levy more than that allowable limit, the board would then again need to follow the special resolution procedures outlined above to seek elector approval to exceed the levy limit.

**Q. If the board adopts a resolution to propose exceeding the town's allowable levy limit by 15%, must the electors approve that exact percentage or can they approve less (or more)?**

A. The electors may approve less than what the board is asking for in its resolution, but not more.

**Q. If the town board did not adopt a resolution like the one described above, but the electors at the town elector meeting are of a mind to approve exceeding the allowable levy limit anyway, can the electors just go ahead and vote to exceed the levy limit on their own?**

A. No. The statutes only provide two methods to exceed the allowable levy limit. The resolution process outlined above and a referendum procedure outlined under s. 66.0602(4), Wis. Stat. Any other process is not statutorily allowable and would likely be found to be invalid by the Wisconsin Department of Revenue and could result in penalties under s. 66.0602(6), Wis. Stat.

**Q. What if our population is 3,000 or more? Can we still seek elector approval to exceed the allowable levy limit this year?**

A. No. For towns over 3,000 in population, the only method to seek a levy limit increase is by conducting a referendum. In even numbered years, the referendum question must be put on a general election ballot. The time limit to put a referendum question on the November general election ballot has already elapsed as a county clerk or other official responsible for preparing the ballots must be given notice of referendum questions at least 70 days prior to the election. See ss. 8.37 & 66.0602(4), Wis. Stats.

**Q. A town fire truck must be replaced this year and we do not have the cash on hand. If we borrow the money on a promissory note now, how will this affect our town levy limit?**

A. All towns have the option of borrowing money as long as the town's total indebtedness does not exceed 5% of its equalized value. See s. 67.03(1), Wis. Stat. There is an exception to the levy limit for paying back principal and interest on new debts. See s. 66.0602(3)(d), Wis. Stat. and s. 67.12(12), Wis. Stat. This means that any new 2017 debt payments may be included in the total 2016 levy approved by the electors (to be collected in 2017) without having to follow any special procedures to exceed the allowable levy limit. Note that outstanding debts must be clearly indicated on the budget summary that will be posted along with the notice of the public hearing on the budget required under s. 65.90, Wis. Stat.

**Q. We contract out for fire protection services with a private department and the town just received a notice that the cost to renew our contract for 2017 is increasing by 25% over last year. We also received a notice from our contracted ambulance service provider that their rates will increase by 15% next year. Is there an exception to the levy limit for these increased expenses that the town does not have any control over?**

A. No. There is a limited exception to the levy limit for increased charges assessed by a "joint fire department" up to a certain amount based on annual changes to the Consumer Price Index. See s. 66.0602(3)(h), Wis. Stat. But, this exception would not apply to municipalities that contract with a private fire department or costs associated with an ambulance service contract.