

**Q. Our town will need to exceed the 0% levy limit this year in order to fund our proposed 2011 budget. How do we go about requesting permission to exceed the levy limit?**

A. In odd numbered years, all towns have the option of calling a special referendum to exceed the levy. Section 66.0602(4), Wis. Stat. requires the town board to initiate the process by adopting a resolution calling for the referendum. The resolution must indicate the amount of the requested increase and it must specify whether the request is for this year only or whether the increase will be ongoing. Keep in mind that pursuant to s. 8.37, Wis. Stat., the town must provide the county clerk [or other official or agency responsible for preparing the ballots] with notice of any referendum question at least 42 days prior to the election. The other election notices required for a special referendum are described under s. 8.55, Wis. Stat. So, any town wishing to pursue this option should begin the process ASAP! *To help you get started, I have prepared a sample resolution calling for the referendum. The sample resolution appears following this article and a copy is also available on our website.*

**Q. Is it possible to avoid having a referendum and instead have the electors authorize the levy limit increase at a town elector meeting?**

A. Towns under 2,000 in population have the option of asking the town electors to authorize the town board to exceed the levy limit. In order to do so, the town board must first adopt a resolution at a town board meeting supporting a levy increase and asking the electors to authorize increasing the levy by a certain percentage over the allowable limit. Next, the board calls a town elector meeting and places the question on the agenda. At the town elector meeting, the electors are asked to adopt a resolution endorsing the town board's resolution and then set the town levy. If approved, the clerk must send a certified copy of the resolution adopted by the electors and the results of the vote to the Department of Revenue within 14 days of adoption. This process is outlined in detail in s. 66.0602, Wis. Stat. which is the statute containing the levy limit law. *A newly updated sample town board resolution, town elector meeting notice and the necessary town elector resolutions are available to cut and paste on the WTA website. For your convenience, copies are also in this magazine on the pages that follow this article.*

**Q. If we chose not to levy up to our total allowable levy limit last year, can we carryover that additional amount and use it this year?**

A. The new levy limit law allows a carryover of up to a maximum of .5 percent of the actual levy in 2010. However, the decision to levy this additional amount must first be approved in the form of a resolution adopted by a 2/3 majority vote of the town board and then subsequently approved by the town electors at a town elector meeting. Be aware that utilizing the carryover option may have a significant downside. If your town has had debt payments on debts originally issued prior to July 1, 2005, and the amount of those debt payments was reduced or eliminated this year (because the loan was paid off), your levy will be reduced a like amount if the town utilizes the carryover option. If your town does not utilize the carryover option, the provision requiring this negative adjustment for

reduced debt payments does not apply. See s. 66.0602(2m), Wis. Stat. So, it is most likely a smarter move for the town to have the electors approve a regular levy limit increase (if an increase is needed) than attempting to use the carryover provision and possibly having a negative adjustment for reduced debt payments!

**Q. If the referendum fails to pass [or the special town elector meeting fails to authorize the requested levy increase], do we have another option?**

A. If cutting costs and rearranging the proposed town budget are not workable options, all towns still have the option of borrowing money. 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. Note that debt payments should be included in the total 2011 levy approved by the electors and 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.