



PRELIMINARY DRAFT – NOT READY FOR INTRODUCTION

1 **AN ACT to amend** 66.0229 (1), 66.0701 (1) and 66.0703 (1) (a); and **to create**
2 66.0229 (3) and 66.0724 of the statutes; **relating to:** creating a new method for
3 the consolidation of municipalities that may involve special assessments.

Analysis by the Legislative Reference Bureau

Generally, under current law, a city, village, or town (municipality) may be consolidated with a contiguous municipality if a consolidation ordinance is passed by a two-thirds vote of the governing bodies of each municipality and if the ordinance is ratified by the electors in a referendum in each municipality. An ordinance proposing the consolidation of a town and another municipality may not, following its enactment, be submitted to the electors for approval in a referendum until the circuit court and the Department of Administration (DOA) determine whether the proposed consolidation is in the public interest.

Also under current law, a municipality may levy and collect a special assessment on property in a limited and determinable area for special benefits conferred on the property by any municipal work or improvement. The payment for the work or improvement may be provided out of the proceeds of the special assessment. Special assessments may be imposed after the municipality adopts a preliminary resolution that describes the purpose of the special assessment and after a municipal officer prepares a report that contains plans, specifications, and cost estimates of the proposed work or improvement. Following the preparation and public dissemination of the report, a public hearing must be held on the preliminary resolution and the report.

Under this bill, a consolidation ordinance may include a requirement that the consolidated municipality specially assess a portion of the municipality to account

for the benefits received by that portion of the municipality. The total amount of this special assessment must approximate the financial benefits of consolidation to be received by owners of property within the area to be assessed as compared to owners of property in the consolidated municipality but outside the area to be assessed. If the consolidation ordinance requires an assessment, the ordinance must specify the area in the consolidated municipality to be assessed, the total amount of the special assessment, and the number of years, not to exceed 15 years, upon which the special assessment amount is calculated. If the ordinance requires a special assessment and the municipality does not impose it as required, the consolidation is vacated and the consolidated municipalities return to their prior status.

A special assessment imposed under the bill must be paid in annual installments. Any person whose property is specially assessed may appeal the assessment to the circuit court of the county in which the property is located. If a special assessment levied under this bill is held invalid because the statute is found to be unconstitutional, the consolidation is vacated and the consolidated municipalities return to their prior status.

For further information see the *local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 66.0229 (1) of the statutes is amended to read:
2 66.0229 (1) GENERAL PROCEDURES. Subject to ss. 66.0301 (6) (d) and 66.0307 (7),
3 a town, village or city may be consolidated with a contiguous town, village or city, by
4 ordinance, passed by a two-thirds vote of all the members of each board or council,
5 fixing the terms of the consolidation and. The ordinance may require that a
6 consolidation assessment be levied under s. 66.0724 as a condition of the
7 consolidation. If the ordinance requires a consolidation assessment, the ordinance
8 shall contain the terms of the assessment specified in sub. (3) (a). No consolidation
9 ordinance may take effect unless it is ratified by the electors at a referendum held
10 in each municipality. The ballots shall bear the words, “for consolidation”, and
11 “against consolidation”, and if a majority of the votes cast in each municipality are
12 for consolidation, the ordinances shall take effect and have the force of a contract.

1 The ordinance and the result of the referendum shall be certified as provided in s.
2 66.0211 (5); if a town the certification shall be preserved as provided in ss. 66.0211
3 (5) and 66.0235, respectively. Consolidation does not affect the preexisting rights or
4 liabilities of any municipality and actions on those rights or liabilities may be
5 commenced or completed as if there were no consolidation. A consolidation
6 ordinance proposing the consolidation of a town and a city or village shall, within 10
7 days after its adoption and prior to its submission to the voters for ratification at a
8 referendum, be submitted to the circuit court and the department of administration
9 for a determination of whether the proposed consolidation is in the public interest.
10 The circuit court shall determine whether the proposed ordinance meets the formal
11 requirements of this section and shall then refer the matter to the department of
12 administration, which shall find as prescribed in s. 66.0203 whether the proposed
13 consolidation is in the public interest in accordance with the standards in s. 66.0207.
14 The department's findings have the same status as incorporation findings under ss.
15 66.0203 to 66.0213.

16 **SECTION 2.** 66.0229 (3) of the statutes is created to read:

17 66.0229 (3) CONSOLIDATION ASSESSMENT. (a) If an ordinance under sub. (1)
18 requires that a consolidation assessment be levied under s. 66.0724, the ordinance
19 shall specify all of the following:

- 20 1. The date by which the consolidation assessment shall be levied.
- 21 2. The property within the municipality created by the consolidation that shall
22 be assessed.
- 23 3. The total amount of the consolidation assessment and the number of years,
24 not to exceed 15 years, over which the consolidation assessment will be paid. The
25 total amount of the consolidation assessment shall approximate the greater financial

1 benefits of consolidation to be received by owners of property within the area to be
2 assessed. The greater financial benefits of consolidation shall be determined by
3 comparing the reduction in taxes, assessments, fees, and charges to be imposed on
4 owners of property within the area to be assessed with the change in taxes,
5 assessments, fees, and charges to be imposed on owners of property in areas within
6 the municipality created by the consolidation, but outside the area to be assessed,
7 over a specified number of years, not to exceed 15 years.

8 (b) If an ordinance under sub. (1) requires a consolidation assessment as a
9 condition of consolidation and the municipality created by the consolidation fails to
10 levy a consolidation assessment that satisfies all of the specifications under par. (a),
11 the consolidation shall be vacated and the consolidated municipalities shall return
12 to their prior status.

13 **SECTION 3.** 66.0701 (1) of the statutes is amended to read:

14 66.0701 (1) Except as provided in s. ss. 66.0721 and 66.0724, in addition to
15 other methods provided by law, the governing body of a town, village or 2nd, 3rd or
16 4th class city may, by ordinance, provide that the cost of installing or constructing
17 any public work or improvement shall be charged in whole or in part to the property
18 benefited, and make an assessment against the property benefited in the manner
19 that the governing body determines. The special assessment is a lien against the
20 property from the date of the levy.

21 **SECTION 4.** 66.0703 (1) (a) of the statutes is amended to read:

22 66.0703 (1) (a) Except as provided in s. ss. 66.0721 and 66.0724, as a complete
23 alternative to all other methods provided by law, any city, town or village may, by
24 resolution of its governing body, levy and collect special assessments upon property
25 in a limited and determinable area for special benefits conferred upon the property

1 by any municipal work or improvement; and may provide for the payment of all or
2 any part of the cost of the work or improvement out of the proceeds of the special
3 assessments.

4 **SECTION 5.** 66.0724 of the statutes is created to read:

5 **66.0724 Special assessment of consolidation benefits. (1)** A municipality
6 created by consolidation under s. 66.0229 (1) by an ordinance that requires a
7 consolidation assessment may, by resolution of its governing body, levy and collect
8 special assessments upon all property that is not exempt from assessment, and that
9 is located in the area specified under s. 66.0229 (3) (a) 2., for special benefits
10 conferred upon the property as a result of the consolidation. The special benefits
11 conferred upon properties in the area specified under s. 66.0229 (3) (a) 2. are the
12 reductions in taxes, assessments, fees, and charges that will be imposed, as a result
13 of the consolidation, on owners of these properties, not received by owners of property
14 that is not specially assessed within the municipality created by the consolidation.
15 The special assessment is a lien against the property from the date of levy.

16 **(2)** A municipality that levies an assessment under sub. (1) shall require that
17 the special assessment be paid in annual installments approximating the property's
18 annual portion of the amount under s. 66.0229 (3) (a) 3. The number of annual
19 installments shall be the number of years identified in the consolidation ordinance
20 under s. 66.0229 (3) (a) 3.

21 **(3)** The municipality shall deposit the proceeds of the special assessment into
22 the general fund.

23 **(4)** Any person against whose land a special assessment is levied under this
24 section may appeal in the manner prescribed in s. 66.0703 (12) within 40 days of the
25 date of the adoption of the resolution under sub. (1). If a special assessment levied

1 under this section is held invalid because this section is found to be unconstitutional,
2 the consolidation under s. 66.0229 shall be vacated and the consolidated
3 municipalities shall return to their prior status.

4 (END)