MARY FELZKOWSKI
STATE SENATOR • 12TH SENATE DISTRICT

Testimony on Senate Bill 301
Senator Mary Felzkowski |
Senate Committee on Shared Revenue, Elections and Consumer Protection
May 23, 2023

Chairman Knodl and Committee Members,

Thank you for taking the time today to hear testimony on Senate Bill 301 – a simple bill that completely revamps the way we fund local governments, and offers a solution to Milwaukee's multi-billion dollar pension issues.

When I first started working on this legislation, I had one goal in mind: to help our local communities provide core, necessary government services, such as police, fire, EMS, and roads. This is something they've been struggling to do since shared revenue was frozen back in 2004.

Shortly after taking on this already heavy lift, Representative Kurtz and I were approached by lawmakers and elected officials on both sides of the aisle with a monumental opportunity to give newly elected leadership in the City of Milwaukee and Milwaukee County the ability to fix their pension issues, and hopefully prevent them from spiraling into a post-bankruptcy Detroit.

While the two of us, from northern and western Wisconsin, are the least likely candidates to be working on Milwaukee's finances, we understand that bankruptcy for the City and County would be detrimental for the entire state. We began meeting with stakeholders on both sides of the aisle, working on a solution that benefits all of Wisconsin – and that's what we've brought to you today.

As we discuss the merits of this legislation, I need all of you to keep one thing in mind: compromise is give and take. At the end of the day, when the public has had a chance to provide input, and negotiations are finalized, nobody is going to see this as a perfect bill. What we need to remember is that this is compromise, and what I learned a long time ago is that you don't let perfect get in the way of good.

Let's get started.

Senate Bill 301 would close the gap in the disparities that currently exist in the old shared revenue formula, while ensuring that every community receives a significant inflationary increase.

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Along with these major inflationary increases, local government funding would increase at the same rate as state sales tax revenues – if sales tax revenues rise by 3.4%, local government funding will rise by 3.4%. This bill will directly plug our communities into the economy.

On top of these increases, our legislation would look to spur government consolidation and efficiencies through an innovation fund.

In exchange for the increased local revenues, there are a number of statewide policy changes included in this bill – many of them have successfully passed through both houses of the Legislature in prior sessions.

Regarding Milwaukee, the Legislature would allow the City and County to levy an increased sales tax, to raise sufficient revenues needed to pay down their unfunded pension liabilities.

In exchange for the special sales tax increase, there are a number of Milwaukee-specific policy changes included in this bill, such as strict law enforcement and firefighter maintenance of efforts, which would set minimum staffing levels for the two departments.

Milwaukee County and the City of Milwaukee have made some poor financial decisions regarding their pension over the last few decades, and this has resulted in a fiscal cliff that's about to drop out from under them. While I appreciate the newly elected leadership for stepping up and having these tough conversations, I fully expect them to use the tools in this bill to solve these pension issues on their own – without state taxpayer funding.

I look forward to your questions and continuing our conversations as we all hope to find a solution that can pass both houses and be signed by the Governor.

Thank you again for taking the time to hear testimony on Senate Bill 301.

TONY KURTZ
STATE REPRESENTATIVE • 50th ASSEMBLY DISTRICT

Testimony before the Senate Committee on

Shared Revenue, Elections and Consumer Protection

Senate Bill 301

Good morning, Chairman Knodl and committee members. Thank you for holding this hearing today on Senate Bill 301, the local government funding bill.

One of the things I have heard about the most as I've done listening sessions in my district, and our travels for the budget hearings this session, is the need for additional funding for local units of government. This bill lays out the framework for the largest increase in aid to local governments in a generation, including historical reforms and directing new funding to law enforcement, fire and EMS services.

SB-301 creates a new Local Government Segregated Account with funding totaling over $1.5 billion. It includes $1 billion for current Shared Revenue program and other existing local government aid programs, $227 million in new aid funding for local governments and $300 million for the Innovation Fund.

The new $227 million is split $50 million for counties and $177 million for cities, villages and towns and is directed to law enforcement, fire protection, emergency medical services, emergency response communications, public works and transportation. The old shared revenue formula was frozen in 2004 and many communities have seen major changes since then which created large gaps in funding. For example: under the old formula- the amount per capita ranged from $2.65 to $581. The new formula is trying to close these gaps between the communities who had done really well under the old formula and those who did poorly. The old shared revenue formula directed money at larger municipalities, so the new formula aims more funding at smaller municipalities to try to distribute aid a little better. It's important to remember that every community will see a minimum 10% increase, with most communities seeing a much higher increase.

Another important provision is allowing shared revenue aids to increase with the growth of the sales tax means communities will be able to grow and benefit as the state grows and benefits. It also means if there were a year where sales tax collection drops, they would also see a decrease. (This has only happened once in the last twenty years) Both their current shared revenue amount and the new money would increase by the same % as the total sales tax growth.

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For example: A community gets $100 under the current shared revenue. They will receive an additional $80 with the new aid in 2024. Let's say in 2025, sales tax grows by 3%- this means that the $100 would grow by 3% and the $80 would grow by 3%. So that year they would get $103 + $82.40. In 2026, if it goes up 3% again they would get $106.09 + $84.87. This provides a likely annual increase that local communities have not gotten in the past.

The Innovation Fund is a $300 million, 3 year pilot program that will reward communities for working together to reduce the size and cost of government. Two or more communities must newly share services that results in at least a 5% savings by year two and 10% savings by year three. They will see an incentive payment of 25% of the costs of the lowest spending service provider prior to consolidation. We also allow local units of government who contract with private or non-profit entities to provide services and recognize savings to qualify for Innovation Fund payments.

Public safety is another key focus of SB-301. While some of these provisions are not technically in the bill now, we are making the commitment to fund them out of the Local Government SEG account in the budget. We will be significantly increasing funding for EMS providers through the Funding Assistance Program (FAP) to $25 million annually. We will be doubling the reimbursement for local law enforcement training from $160 to $320. We will also be tripling the funding for grants for updating systems related to Next Gen 911. Finally, we create Maintenance of Effort language for Police/Fire/EMS based on service level to ensure these critical public safety departments are supported and maintained.

The final major piece of SB-301 relate to the City of Milwaukee and Milwaukee County. Both the city and county are on the verge of bankruptcy due to their unfunded pension liability. The city and county are unique in that they are the only local units of government with their own pension systems. This bill requires the closure of their pension system, and transition to the Wisconsin Retirement System and provides additional tools for the city and county to raise additional funds through a local sales tax to pay the unfunded liability and increase their public safety, which has unfortunately seen significant cuts over the last several years as their financial situation worsened.

I'm proud of all the work that has gone into getting this bill one step closer to the finish line. It's not going to fix every issue with shared revenue, but it makes a giant step in the right direction and gives our communities the tools to thrive.

Thank you for your consideration of Senate Bill 301. I'd be happy to answer any questions at this time.

Cavalier Johnson
Mayor, City of Milwaukee

Dear Chairman Knodl, Vice Chairman Feyen, and members of the Senate Committee on Shared Revenue, Elections and Consumer Protection, I am Cavalier Johnson, Mayor of the City of Milwaukee.

Thank you for holding this public hearing and thank you to the author of Senate Bill 301, Senator Felzkowski. I appreciate her work, along with co-authors, Representative Kurtz, Representative Rodriguez, and Speaker Vos, and a number of additional legislators who have advanced this important legislation.

I am grateful for the amount of work and collaboration that has gone into this bill, and I look forward to continuing to work with the leadership and members in the Senate and Assembly, on both sides of the aisle, as well as with the Governor as this legislation moves forward.

I am particularly pleased that all of you here – and so many of your colleagues – have taken the time to fully understand the City of Milwaukee's fiscal challenges. Without question, my city's budgetary situation is dire.

Milwaukee is unique among major American cities in having just one source of tax revenue. That, combined with other factors, has my city on a path to catastrophic budget cuts. Our costs for public safety – including the costs for police officer and firefighter pensions, continues to climb far faster than the rate of inflation.

In order to address our financial issues, the city has already taken drastic steps including cutting over 1,000 city workers since the year 2000, utilizing the tools provided in Act 10 to increase pension contributions from general city employees, redesigning healthcare plans and rates, and implementing efficiencies and consolidations.

Since Covid began in 2020, the city has relied on Federal ARPA dollars to sustain critical city services, and stave off the coming fiscal cliff. By 2025 the city will face insolvency, which will force massive cuts to general city workers, firefighters, and police officers. That will dramatically increase emergency response times, harm our quality of life, and reduce basic city services to unacceptable levels.

We have come a very long way, and you can see in SB 301 that a roadmap is in place to reach our goal. But, to be clear, this is not a celebratory moment. Even with the most favorable outlook, Milwaukee city government will continue to tighten its belt.

There is an understanding that Milwaukee's future is important to the entire State of Wisconsin. My city will continue to be the state's most important economic and cultural center. We are an essential location for jobs and higher education. Whether it's Fortune 500 companies, major banks, accounting firms, law practices, manufacturing, tech, or service industries, Milwaukee is at the heart of Wisconsin's future.

I look forward to continuing to work on provisions in this bill so that Milwaukee can resolve its fiscal problems and continue to make significant contributions to the state.

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CITY OF MILTON

a community since 1838

DATE: May 23, 2023

Members of the Senate Committee on Shared Revenue, Elections, and Consumer Protection:

I am Mayor Anissa Welch from the City of Milton. I was recently elected to my fifth term in office. Thank you for this opportunity to share my perspective on SB 301. I bring great enthusiasm and hope with me today as I share this space with all of you.

Milton has worked tirelessly to create an environment that encourages main street businesses, industrial, commercial, and residential growth to thrive. Over the past eight years we have seen our equalized value grow by over $227million. $227 million. We grew before the pandemic and even increased growth throughout the pandemic. We continue to grow. We are doing everything right. We have reduced our tax levy supported debt, we have created sound fiscal policies, we have invested in our infrastructure and our employees. Our residents and our businesses support our investments and growth. We have an updated strategic plan, updated Capital Improvement Plan, we are modernizing all of our zoning ordinances. We are meeting the moment we have found ourselves in. We can barely keep up with the interest that is never ending in partnering with our city. And yet, the funding we have received from the State has actually decreased annually over the past 5 years. General Transportation aid has decreased to 2015 levels. We had to implement a wheel tax to maintain our roads and support the growth our city is experiencing.

	Equalized Value	Increase	Shared Revenue	Change	Trasportation Aid	Change
2014	$ 327,557,200.00	$ (18,018,200.00)	$ 666,843.00		$ 391,793.00	
2015	$ 362,028,200.00	$ 34,471,000.00	$ 668,565.00	$ 1,722.00	$ 388,102.00	$ (3,691.00)
2016	$ 353,233,700.00	$ (8,794,500.00)	$ 686,251.00	$ 17,686.00	$ 353,922.00	$ (34,180.00)
2017	$ 377,479,800.00	$ 24,246,100.00	$ 704,827.00	$ 18,576.00	$ 328,575.00	$ (25,347.00)
2018	$ 396,181,000.00	$ 18,701,200.00	$ 712,010.00	$ 7,183.00	$ 325,155.00	$ (3,420.00)
2019	$ 427,445,300.00	$ 31,264,300.00	$ 701,988.00	$ (10,022.00)	$ 343,872.00	$ 18,717.00
2020	$ 455,017,900.00	$ 27,572,600.00	$ 698,721.00	$ (3,267.00)	$ 378,709.00	$ 34,837.00
2021	$ 487,672,900.00	$ 32,655,000.00	$ 698,968.00	$ 247.00	$ 388,302.00	$ 9,593.00
2022	$ 554,624,800.00	$ 66,951,900.00	$ 688,450.00	$ (10,518.00)	$ 383,770.00	$ (4,532.00)
	$ 192,596,600.00	$ 227,067,600.00				

In addition, in 2022, Milton joined ten other municipalities, a total of nine townships and two cities to integrate our fire and EMS services. Nine townships and two cities committed to preventing the collapse of our safety services that we were witnessing all around us and Wisconsin. Lakeside Fire-Rescue went live February of 2023. The calls for service as usual, are increasing with each day. We provide safety services to 25,000 residents and 50,000 on summer weekends. We cover 220 square miles that cross three different counties. We have automatic aide with every other jurisdiction that closely boarders ours. We will likely be building three new fire stations and remodeling a fourth. The service being provided is a cost savings to our city and a life-saving issue. We could not provide the coverage or infrastructure we need to protect our families and the equalized value we have without this integration. Neither could our partners. We are being penalized. While our contribution to the district has stayed within the CPI+2 Levy Exemption, the entire district investment is the lens in which Expenditure Restraint requirements are being looked at. The Lakeside Fire-Rescue District is not a taxing authority. I don't really need to emphasize how the decreases in state aid, levy limits and expenditure restraints will discourage any further integration of public safety services and cost savings other municipalities might be motivated to explore. Again, we are attempting to chart a responsible, modern course with public safety and outdated regulations and state funding is holding our growth and success back.

And yet, I have confidence that our state elected officials from all branches will collaborate and create a modern, equitable funding system for all of our local government entities to meet this moment. Our local elected officials know better than anyone what their residents need and limiting restrictions on how any increased revenue is spent will only increase the financial stability and resiliency of all Wisconsin's local governments. We can share the trust that local residents have placed in electing their representatives and provide reasonable accountability measures. Please keep that in mind.

If nine townships and two cities can come together and overcome barriers to create a fire district, truly there is nothing that can stop or ought to be allowed to stop our state, our townships, our counties, villages, and cities from thriving. Keep an open mind, there is a resolution out there just waiting to be discovered. Thank you so much for welcoming me to share my perspective.

Anissa M. Welch

Anissa M. Welch | Mayor

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Milwaukee POLICE Association®
Local #21 IUPA

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May 23rd, 2023

Good morning my name is Alexander Ayala, and I am the Vice President of the Milwaukee Police Association where we represent 1,300 members of the rank and file of the Milwaukee Police Department.

I want to thank the chair and Co-chair and the entire committee and all authors of SB 301 which I will be testifying in favor of this morning.

I have been with the Milwaukee Police Department for 23 years now. I have served as a police officer in patrol for 15 years working various districts and assignments. The last 7 years of my career I have been working as a Detective in the robbery unit.

The City of Milwaukee and the Milwaukee Police Department are no strangers to the challenges that come with maintaining adequate police and fire staffing levels. In recent years, budget cuts have resulted in a shortage of police officers, leaving the department struggling to keep up with the demands of the city's needs.

This shortage of personnel has made it difficult for the department to respond quickly and effectively to emergencies, leaving citizens vulnerable and feeling unsafe. Additionally, with the city's high crime rate, the Milwaukee Police Department needs all the resources it can get to combat crime and ensure public safety for everyone.

We believe that this is a once in a life time opportunity for police and fire to be properly staffed, so that we can provide the City of Milwaukee and the Milwaukee Police Department with the necessary resources it needs to hire and train new officers, as well as to equip them with the tools they need to do their job effectively, and to keep the safety and well-being of its citizens and to protect our communities.

This will also help the city meet a large portion of their pension obligations so that the City of Milwaukee doesn't make any more cuts to public safety or other city services. Securing this great benefit going forward will ease all that depend on their pension for stability.

I want to thank everyone involved in ensuring that Milwaukee is financially healthy and safe for everyone to enjoy.

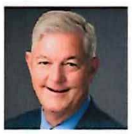
Sincerely,

Milwaukee Police Association

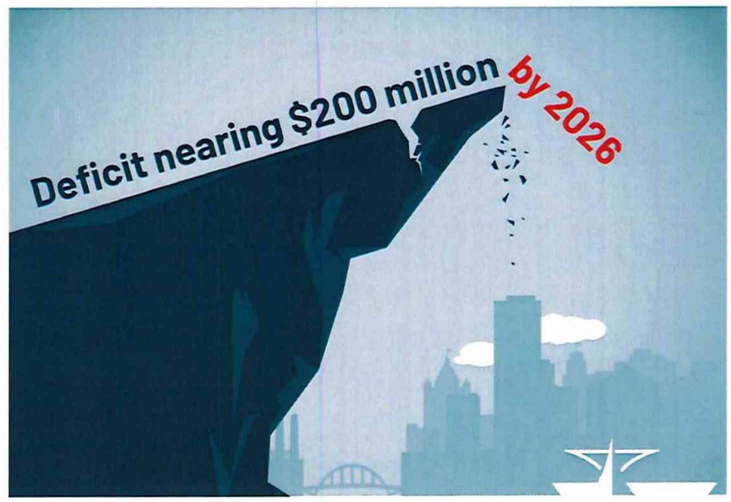
Alexander Ayala
Vice President
Local #21, IUPA

MMAC
METROPOLITAN MILWAUKEE ASSOCIATION OF COMMERCE

WHY A SALES TAX FOR MILWAUKEE, AND WHY ELECTED OFFICIALS SHOULD VOTE ON IT



By MMAC President **Tim Sheehy**



The definition of a fiscal crisis is "the inability to bridge a deficit between expenditures and tax revenue." The City of Milwaukee is in a fiscal crisis.

On a $1B budget, the city begins next year with a $156M deficit, that – with a cost-to-continue budget – grows to $176 by 2026. Without substantial changes in expenditures or revenues these deficits become structural (ongoing).

EXPENDITURES

City government is a service business. To control costs, staffing has been reduced by 1,000 positions since 2000, including hundreds of police and fire positions. The staffing and related payroll costs have delivered $120M in estimated annual savings. Further, pension and health care contributions have saved an additional $46M annually. The remainder of city staffing is supported by revenue from fees, permits and licenses. Reductions here do nothing to balance the overall budget.

The largest fixed cost going forward is pension obligations, including current costs for retirees and future costs for current employees. The pension costs for 2023 are $100M, increasing by 40 percent for 2024 and beyond.

Can the city reduce its expenses further? Sure, but to put the 2024 deficit of $156M in perspective, it's 36% of the $430M payroll cost (salary and wages) for all city employees in 2024.

REVENUE

Property taxes are high and a sore spot, but they are the largest source of revenue and the only taxing authority available to the City. Property taxes raised $311M in 2023. As a point of reference, the police department's budget is $300M. The second largest source of revenue ($230M) comes from the State of Wisconsin in the form of a revenue sharing payment. All other revenue comes from fees for services, licensing and permits.

Grounded on both ends of this fiscal bridge, the crisis is real. What is the best way to address this crisis before the bridge crumbles into a river of bankruptcy?

Here are the three needed repairs supported by MMAC:

1. INCREASE SHARED REVENUE

In 1911, Wisconsin was the first state to implement an income tax. An agreement was struck between state and local governments. State government would exclusively levy income and sales taxes, leaving local governments to collect property taxes. In exchange, the state would share a portion of income and sales taxes it collected with local municipalities. State income tax collections increased from $3B to $9B since 2000. During this same time, shared revenue payments to local government have flatlined. For the City of Milwaukee, the shared revenue declined from $240M in 2000 to $230M in 2023. If this payment had kept pace with inflation, it would be $420M - providing an additional $180M in 2024 against its projected budget deficit of $156M.

MMAC supports the proposal from the Governor and Republican legislative leadership obligating 1 cent of the 5-cent sales tax currently levied by the state to fund an increase in state shared revenue. This would add $25M to Milwaukee's shared revenue payment and provide for potential future increases with a rise in sales tax collections.

2. REFORM THE CITY PENSION

The City of Milwaukee and Milwaukee County are the only local municipalities whose employees do not participate in the State pension plan. The city's pension plan is underfunded by hundreds of millions of dollars.

MMAC supports a proposal to freeze the plan for new employees, with all new employees enrolled in the state plan. This will cap the cost of the existing pension plan, allowing its liabilities to be contained and paid down over the next 30 years at an estimated annual cost of $120M. No current employee will lose their earned benefit and all new employees will enter a well-funded and managed pension plan.

3. ACCESS TO A CITY SALES TAX

Of 123 cities with populations of 200,000 or greater, Milwaukee is one of only 10 without a sales tax.

MMAC supports a proposal developed by Republican legislators to provide Milwaukee access to a sales tax of 2%, under the condition that its proceeds be used to pay down the pension obligations and fund additional police and fire positions requested by the City. This funding source, estimated to raise $160M annually, is the key to the pension reforms, mentioned above, and increased staffing for public safety.

Why should a citywide sales tax be voted on by the Common Council and approved by the Mayor?

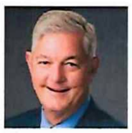
We hold elections to entrust our leaders to make difficult decisions regarding convoluted issues. When considering the complexities involved between managing new sources of revenue and implementing a pension reform plan, it is in our best interest to hold them accountable for doing the work they were elected to do. Elected city leaders should be required to vote for this revenue source (in this case a sales tax) and be held accountable for its expenditure. This authorization is not an unprecedented.

This exercise of representative government also allows for a broad engagement of taxpaying stakeholders that go beyond city limits. Employers located in Milwaukee and Milwaukee County export $7.6B personal income to their employees who work in Milwaukee but live in a surrounding county. Nowhere in the surrounding five-county region is the reverse true. Every other county is a net importer of personal income. Milwaukee and its employers, in turn, benefit from this broad regional talent pool. The city's arts, cultural and entertainment assets also thrive on this regional base of population. A referendum in the city excludes input from Milwaukee employers and the hundreds of thousands of citizens who utilize the city as a place to work, play and learn.

A vote of the elected officials at the state level to put the question in the hands of elected city officials is the best way to represent the citizens of this region.

MMAC
METROPOLITAN MILWAUKEE
ASSOCIATION OF COMMERCE

WHY A SALES TAX FOR MILWAUKEE COUNTY, AND WHY ELECTED OFFICIALS SHOULD VOTE ON IT



By MMAC President **Tim Sheehy**

No two stories are the same, and while they have similarities, Milwaukee County's fiscal crisis is different from the City's. However, it is a clear-and-present danger to the county's future, and it does have a clear-and-present solution.

Milwaukee County's governmental leaders made an ill-informed decision some 23 years ago that substantially increased the cost of its pension plan with overly optimistic return assumptions. Despite future reforms, these pension liabilities continue to absorb over 30% of the County's tax levy.

The County has had structural deficits dating back to the early 2000's, bolstered by stagnant state funding in the form of shared revenue, general transportation, basic community aid and mass transit operating assistance. The Counties funding structure limits revenue growth to about 1% per year.

How has the County reacted? It has cut spending over the past decade by $380M. The largest chunk of savings came from a 46% reduction in staff - from 7,300 full-time equivalents to 3,900. Unfortunately, to balance its budgets has also deferred maintenance and reduced its capital spending, which leaves an $828M backlog through 2028. The sum of these actions still leaves Milwaukee County with a deficit in 2024 of $18M.

Going forward its pension costs (which were $60M in 2015) will peak at over $120M by 2027. This will help drive the county's structural deficit to $109M by 2028. While all this seems bleak, if state aid had kept pace with inflation over the past decade, the county would receive an additional $83M in 2023.

The current shared revenue proposal contained in AB 245 would provide Milwaukee County with an additional $7M in aid on top of the $47M it currently receives. While this is helpful, it will not provide a path to fiscal solvency and a chance to eliminate the ongoing structural deficit. The County needs an additional sales tax of up to .5% to address its unfunded pension liabilities for current and past employees. The goal is to freeze the plan for new employees and have those employees funded in the State pension plan. Increased shared revenue and a sales tax dedicated to pension obligations will provide the county with better footing to serve its citizens, businesses and visitors.

Milwaukee County is not only home to 928,000 residents, but it draws in millions of visitors to attend the cultural, arts and entertainment assets that call Milwaukee County home. Most importantly, it is the hub of the five-county regional economy. Some $7.6B in personal income is earned in Milwaukee County by residents who live in Waukesha, Washington, Ozaukee and Racine. This income is exported out of Milwaukee County for these residents to spend on homes, schooling and other goods and services in their home counties.

The regional economy relies on the relationship of this talent base and the employers in Milwaukee County. No other county has this interdependence, nor an export of net personal income. Left unchecked, Milwaukee's fiscal crisis will not be self-contained. The Milwaukee County board and its County Executive are best suited to balance all these varied interests, while being held accountable for the use of the sales tax. This is why a sales tax is needed and why we have representative government.

WISCONSIN STATE ASSEMBLY · 97th ASSEMBLY DISTRICT

SCOTT ALLEN

REPRESENTATIVE • 97TH ASSEMBLY DISTRICT

23 May 2023

Testimony on SB 301 by Rep. Scott E. Allen

To Chairman Knodl and Members of the Committee on Shared Revenue, Elections and Consumer Protection:

We do not steal from the rich to give to the poor. Instead we are a people who provide training and education to the poor to ensure equality of opportunity.

Poor counties and municipalities are not deserving of more resources simply because they are poor. They are deserving of more training and support, more information and education.

Frugal counties and municipalities ought not be penalized for their frugality and innovation. We do not say to them, "Tax your citizens more because you have been prudent." Instead we say, "Well done, you deserve a bonus." We do not say to the spendthrift communities, the drunken sailors, if you will, "since you have no restraint, here, let us give you more." Instead we teach, "You must learn the difficult lessons of prudence and frugality."

We do not accept that poverty is the hand that you are dealt and you must accept your fate. Instead we believe that everyone has the opportunity for success.

Therefore, we reject the notion that counties and municipalities that have experienced prosperity must subsidize those who have not. We believe that government is for the people. We believe that people drive the need for government and demand government services. Subsequently, it is logical that if we are to distribute a portion of state tax revenue, then shared revenue distribution should be based on actual services delivered by the government to the people. Where more essential, in many cases, mandated government services are delivered there ought to be a greater distribution of shared revenue.

It is a well-documented fact that the distribution of shared revenue in Wisconsin has been both inequitable and not based exclusively on population. It can be demonstrated that municipalities twice the size of others receive a fraction of the amount of shared revenue distribution.

Correcting that deficiency ought to be a priority.

Correspondingly, we can all empathize with the stress associated with a sudden, drastic change in financial conditions. As such we could agree that it would be imprudent to make a comprehensive change in the shared revenue distribution formula in a single biennial budget

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cycle. Instead, the Macco Provision for deficiency aid distributions creates a mechanism to correct the incumbent imbalances gradually over a period of years.

It would be wise for us to adopt something resembling the provisions spelled out in AB-256 particularly page 7 line 6 to page 8 line 2 and page 12 lines 1 to 10 that would provide for a somewhat gradual correction of the imbalanced shared revenue distribution formula.

It might also be beneficial to create some mechanism for shared knowledge and a system for training on the best practices of municipal finance. The State can provide a forum for collaboration so that all can improve.

If we are to be the statesmen and stateswomen that we are called to be, then we will put good policy above politics. We will think about the greater good beyond the parochial benefits. If we really want to see historic change in how we fund local government, then we must address the broken formula to ensure appropriate funding for every county and local governments for state-mandated services over the long-term.

I call on my esteemed colleagues in the Senate to do just that; to craft a policy that will have enduring benefits to the people of Wisconsin for generations to come.

Legislative Fiscal Bureau
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April 7, 2023

TO: Representative John Macco
Room 208 North, State Capitol

FROM: Al Runde, Program Supervisor

SUBJECT: Local Government Funding Proposal and Distribution

As requested this memorandum provides a summary of a proposal to increase funding to local governments and to repeal the remaining local personal property tax.

Transfer of State Sales and Use Tax Revenues

Beginning in 2024-25, and each fiscal year thereafter, the proposal would transfer 20% of the state's sales and use tax revenue to a newly-established non-lapsible, segregated fund designated as the local government aid fund. The amount transferred would be based on the general fund sales and use tax amount, as specified for that fiscal year under the general fund summary schedule in s. 20.005(1) in the biennial budget act. The Department of Administration (DOA) Secretary would be required to transfer: (a) 15% of the required annual amount of sales and use tax revenues to the local government aid fund on second Monday in July of each year; and (b) 85% of the required annual amount of sales and use tax revenues to the local government aid fund on second Monday in November of each year. Based on current estimates, the amount to be transferred would equal an estimated $1,556.0 million in 2024-25.

In each fiscal year thereafter, the DOA Secretary would transfer to the local government aid fund the amount transferred the prior year, plus an amount equal to the annual percentage change in state sales and use taxes as specified in the s. 20.005(1) of the budget act for that year over the amounts in that budget act schedule for previous year multiplied by the <u>total</u> amount of the following: (a) the amount of funding provided the utility aid sum sufficient appropriation in the prior year; and (b) the amount provided the county and municipal aid funding in the prior year, including the per capita deficiency aid and 10% police, paid fire, emergency medical services, an highway payments created under the bill.

From the amount transferred each year associated with percentage change in state sales and use tax revenue, the DOA Secretary would first fully-fund the sum sufficient utility aid appropriation. Any remaining amounts associated with change in annual funding would be apportioned equally among the county and municipal aid program, including the per capita deficiency aid and the 10% police, paid fire, emergency medical services, and highway aid payment created under the bill.

The proposal would specify that any uncommitted funding remaining in the balance of the local government aid fund in excess of 0.1% of total revenues transferred to the fund in that year, as well as all interest earnings, would be transferred to the general fund on June 30, of each year.

Programs to be Funded from the SEG Local Government Aid Fund

The proposal would convert existing GPR programs and appropriation to SEG appropriations funded from the local government aid fund. The appropriations converted would include the existing county and municipal aid, computer aid, utility aid, exempt personal property aid, expenditure restraint program, and the video service provider fee aid payment. The total amount of GPR appropriations converted to SEG would be $1,040.7 million, while of the remaining $515.3 million (1,556.0 million - $1,040.7 million), $474.4 million would be used to fund the following programs: (a) $197.5 million associated with a new per capita deficiency aid payments to local governments; (b) $95.1 million associated with a new 10% police, paid fire, emergency services, and highway aid program; (c) $173.8 million to fund the payments to local taxing jurisdiction to hold them harmless associated with the repeal of the personal property taxes, effective January, 1, 2024, assessments; and (d) a transfer of $8.0 million to the transportation fund associated with the exempting the personal property of railroads from the state taxation. In addition, $39.7 million in existing county and municipal aid currently funded from the police and fire fund would instead be funded from the local government aid fund.

In addition, the proposal would delete the SEG appropriation from the police and fire protection fund that is currently used to fund a portion of the county and municipal aid program. In 2024-25, it is estimated that $39.7 million SEG from the police and fire protection fund would be used to offset the GPR costs of the county and municipal aid program. The repeal of the existing GPR and SEG appropriations would take effect on January 1, 2024.

Finally, the proposal would repeal the current law requirement that $5.0 million in medical assistance (MA) funding currently funded with $2.0 million GPR and $3.0 million FED be used to supplement annual medical care transportation services. This would reduce GPR funding by $2.0 million, while federal MA funding would remain available to local governments for other purposes.

Personal Property Tax Repeal

The proposal would repeal the personal property tax on items currently subject to the personal property tax, effective with January 1, 2023, property assessments. Some existing personal property would be converted to real property and would remain subject to taxes on real property. Beginning in 2025, an annual aid payment would be created for local governments (municipalities, counties, school districts, technical colleges, and tax increment financing and special purpose districts) equal to the amounts each government type would have levied in 2023(24), based on January 1, 2023, assessed values. The annual payments to each individual taxing jurisdiction would remain at those amounts each year thereafter. Similar to existing exempt personal property aid payments, these payments would be made on or before the first Monday in May (2024-25).

The proposal would exempt the personal property of rail carriers under Chapter 76 of the statutes from property taxation. These Chapter 76 taxes on the personal property of rail companies are estimated at $8.0 million annually, and are currently deposited to the transportation fund. To offset the loss in revenue to the transportation fund associated with this exemption, beginning in 2024-25, the proposal would transfer $8.0 million each year from the local government aid fund to the transportation fund. The personal property of other entities taxed under Chapter 76 would remain subject to taxation.

County and Municipal Aid Program Changes

The proposal would continue the current payment distribution for the $753.1 million in funding provided to the county and municipal aid program through calendar year 2024 (2024-25). However, only $747.1 million would be distributed after $6.0 million in current law statutory offsets, of which $713.4 million is expected to be paid from GPR. Effective January 1, 2024, the proposal would also delete the current law provision that requires that each year counties and municipalities receive the same county and municipal aid payment that was received in 2012.

The proposal would create two new components to the county and municipal aid program: (a) a per capita deficiency aid payment; and (b) an aid payment for local police, paid fire, emergency medical service, and highway costs.

Per Capita Deficiency Aid Payment. In addition to the $753.1 million in existing county and municipal aid, the proposal would create a per capita deficiency aid payment that would establish a minimum per capita amount for three separate groups: towns; villages and cities combined; and counties. The Department of Revenue (DOR) would be required to annually establish a minimum per capita amount for each of group of local governments in order to fully distribute the amount of per capita deficiency aid available in that year.

Beginning with calendar year 2024 payments, payable by the state in 2024-25, the per capita deficiency aid amount for each local government type would be as follows:

(a) $65.0 million for the towns;
(b) $75.0 million for the combined village and city group; and
(c) $57.5 million for the counties.

Police, Paid Fire, and Emergency Medical Responders and Highway Aid Payment. The proposal would also create an additional county and municipal aid payment that would equal 10.0% of the total amount received by each municipality or county from the current law aid program as well as the new "per capita deficiency" aid payment. The payments could only be used for hiring, training, and retaining the following positions, using the current law definitions of these positions: (a) law enforcement officers; (b) members of the paid fire departments; and (c) emergency medical responders. These aid payments could also be used for local highways.

For the distribution in 2024, and subsequent years, if in any year a county or municipality decreases the amount of its budget dedicated to hiring, training, and retaining law enforcement officers, members of paid fire departments, or emergency medical responders so that the amount is less than the amount so dedicated in the previous year, the DOA Secretary would be required to reduce the county's or municipality's payment 10.0% aid payment. The reduction would equal the amount of the decrease in the county's or municipality's budget dedicated to hiring, training, and retaining these positions. The reduction would not apply to a county or municipality that: (a) transfers responsibility for providing law enforcement, fire protection, or emergency medical response to another local unit of government; or (b) enters into a cooperative agreement to share law enforcement, fire protection, or emergency medical response responsibilities with another local unit of government.

Future Funding Growth. Assuming positive growth in state sales tax revenues, the proposal would annually increase funding for utility aid and county and municipal aid, including the per capita deficiency aid component, and the aid payment for local police, paid fire, emergency medical service, and highway costs component. The increased funding would be calculated as follows:

1) Calculate the rate of growth in state sales tax:

$$\frac{\text{State Sales Tax Revenues in General Fund Summary Table in Budget Act for Current Year}}{\text{State Sales Tax Revenues in General Fund Summary Table in Budget Act for Prior Year}}$$

2) Multiply this sales tax growth rate by the <u>total</u> prior year funding amount for utility aid, and county and municipal aid, including per capita deficiency aid component, and the aid payment for local police, paid fire, emergency medical service, and highway costs component;

3) Subtract the <u>total</u> prior year funding amounts for utility aid and county and municipal aid, including the per capita deficiency aid component, and the aid payment for local police, paid fire, emergency medical service, and highway costs component to determine the total amount of growth in annual funding;

4) From the total annual growth amount, <u>first</u> fully-fund the sum sufficient utility aid appropriation; and

5) Apportion any remaining funds to each component of county and municipal aid program in amount equal to each component's share of total county and municipal aid funding in the prior year.

Estimated Additional Aid Payments

The following table provides the distribution of aid by government type for the proposed "per capita deficiency" aid payment as well as the proposed 10.0% payment that could only be used for police, paid fire services, emergency medical responders, and local highways. These amounts were calculated using 2022 population and 2022(23) aid amounts.

TABLE 1

Distribution of Additional Aid
Payments Under the Proposal by Government Type
(in Millions)

		Additional Aid			
	Current	Per Capita Deficiency Aid	10% Aid Payment	Total	% Increase
Towns	$41.8	$65.0	$10.7	75.7	181.1%
Villages	63.5	32.7	9.6	42.3	66.6
Cities	525.1	42.3	56.8	99.1	18.9
Counties	122.7	57.5	18.0	75.5	61.5
Total	$753.1	$197.5	$95.1	$292.6	38.9%

Based on available per capita deficiency aid funding, the estimated minimum per capita aid payment amount would be $64.53 for towns, $60.41 for cities and villages, and $23.40 for counties. Changes in total state population would affect future per capita deficiency aid payments as well as the 10% aid payments. Similarly, changes in population among local units of government would have an impact on the distribution of these payments among the various government types.

The attachments to this memorandum indicates the existing county and municipal aid payments as well as the propose increase in aid for towns (Attachment 1), cities and villages (Attachment 2), and counties (Attachment 3).

Fiscal Effect

Personal Property Tax Repeal. The proposal would repeal the local personal property tax and create an aid payment equal to the amount that would have otherwise been levied in 2024(25). According of a DOR estimate of a similar proposal, using 2022(23) levies, this could result in aid payments local taxing jurisdiction totaling an estimated $173.8 million in 2024-25, and each year thereafter. In addition, the proposal would transfer $8.0 million from the local government aid fund to the transportation fund beginning in 2024-25, and each year thereafter.

Local Government Aid Fund. The fiscal effect of the creation of the local government aid fund would involve the annual transfer of 20% of state sales tax revenues to the local government aid fund, currently estimated at $1,556.0 million in 2024-25. This amount would be offset by the reduction in GPR funding associated with conversion of existing program funding from GPR to the SEG local government aid fund. The following tables provide information on the fiscal effect of the proposal. Table 2 indicates the estimated impact on GPR and SEG funds in 2024-25, the initial year of the proposal. Table 3 indicates the fund condition of the local government aid fund at the end of 2024-25. Table 4 provides an indication of the estimated impact of the proposal for the 2025-27 and 2027-29 biennia.

As shown, in Table 2, under the proposal, the existing use of police and fire protection fund monies to fund county and municipal aid would be deleted, and the $713.1 GPR appropriated in 2024-25, associated with the existing $753.1 million county and municipal distribution would be converted to SEG funding. As shown, additional GPR-funded local aid programs would be converted to SEG as well. Finally, GPR appropriations would be reduced by $2.0 annually associated with the state's portion of the MA funding that would no longer be needed for county and municipal aid. The loss in sales tax revenue to the general fund (shown as a GPR Transfer and SEG REV) would be an estimated $1,556.0 million, while the net reduction in GPR spending associated with converting existing 2024-25 GPR appropriations to SEG and reduced GPR MA funding would be $1,042.7 million. This results in a net impact to the state's general fund of $513.3 million, which equals 20% of sales and use tax revenue transfer less the GPR expenditure reductions shown in Table 2. It should be noted that the current law offsets to GPR for existing county and municipal aid would revert back to the local government aid fund unless the proposal is modified to have these funds continue to revert back to the general fund. The county and municipal SEG police and fire protection fund appropriation would be deleted. The proposal does not indicate how this SEG funding would be expended.

TABLE 2

Net Impact of Proposal on GPR and SEG Funds in 2024-25 (in Millions)

	2024-25
Estimated 2024-25 State Sales Tax Collections	$7,780.0
Transfer 20% of State Sales Taxes from the General Fund to the Local Government Aid Fund	1,556.0 (+GPR Transfer/ +SEG Rev)
GPR Appropriation Changes	
County and Municipal Aid (CMA) to SEG*	$713.4 (-GPR/+SEG)
Computer Aid to SEG	98.0 (-GPR/+SEG)
Utility Aid to SEG	84.5 (-GPR/+SEG)
Existing Exempt Personal Property to SEG	75.5 (-GPR/+SEG)
Expenditure Restraint Program to SEG	59.3 (-GPR/+SEG)
Video Service Provider Fee to SEG	10.0 (-GPR/+SEG)
MA GPR Funding Reduction	2.0 (-GPR)
Total GPR Appropriation Changes	$1,042.7 (-GPR/+SEG)
Net Impact on the General Fund Revenues ($1,556.0-$1,042.7 in GPR reductions)	$513.3
Delete Existing SEG County and Municipal Aid Funding	
Police and Fire Protection Fund	-$39.7 (-SEG)

*Includes $6.0 million in annual statutory offsets to county and municipal aid. The amounts reduce GPR needed to fund the existing distribution.

Table 3 provides an indication of the fund condition for the local government aid fund at the end of 2024-25. As shown, the fund would have a balance of $1.2 million at the end of 2024-25, which means that under the proposal more funding from the state sales tax is transferred into the fund than would be needed to fund the existing and new appropriations shown.

TABLE 3

Local Government Aid Fund
Fund Condition (2024-25)
(in Millions)

Revenues to the Fund	
Transfer of 20% of General Fund Sales Taxes	$1,556.0
Appropriations	
County and Municipal Aid	
Existing Aid	$753.1*
Per Capita Deficiency Aid	
Towns	65.0
Villages/Cities	75.0
Counties	57.5
10% Police, Paid Fire, Emergency Services and Highways Aid	95.1
Personal Property Repeal Aid Payment	173.8
Transfer to Transportation Fund for Rail Personal Property	8.0
Computer Aid	98.0
Utility Aid	84.5
Existing Exempt Personal Property Aid	75.5
Expenditure Restraint Program	59.3
Video Service Provider Fee	10.0
Total	$1,554.8
Net Balance	$1.2

*If specified under the proposal, GPR costs could be reduced by $6.0 million annually associated with current law offsets to county and municipal aid distributions. Currently, under the proposal, these amounts would revert back to the local government aid fund.

I hope that this information is helpful. Please contact me if you have questions.

AR/lb
Attachments

County	Existing County and Municipal Aid	Deficiency Payment	10% Police and Fire	Total Aid	Aid Increase	Percent Increase
Milwaukee	$47,022,794	$0	$4,702,279	$51,725,073	$4,702,279	10.0%
Monroe	2,125,145	0	212,514	2,337,659	212,514	10.0
Oconto	481,791	437,144	91,894	1,010,829	529,038	109.8
Oneida	43,558	843,302	88,686	975,546	931,988	2,139.6
Outagamie	1,517,985	2,992,600	451,059	4,961,644	3,443,659	226.9
Ozaukee	140,503	2,024,876	216,538	2,381,917	2,241,414	1,595.3
Pepin	465,492	0	46,549	512,041	46,549	10.0
Pierce	918,245	73,187	99,143	1,090,575	172,331	18.8
Polk	423,081	637,083	106,016	1,166,181	743,100	175.6
Portage	1,739,520	0	173,952	1,913,472	173,952	10.0
Price	468,676	0	46,868	515,544	46,868	10.0
Racine	2,349,434	2,282,719	463,215	5,095,369	2,745,934	116.9
Richland	1,172,389	0	117,239	1,289,628	117,239	10.0
Rock	3,622,666	233,814	385,648	4,242,129	619,462	17.1
Rusk	980,624	0	98,062	1,078,686	98,062	10.0
St Croix	372,120	1,878,497	225,062	2,475,679	2,103,559	565.3
Sauk	474,842	1,079,753	155,459	1,710,054	1,235,212	260.1
Sawyer	25,376	397,610	42,299	465,284	439,909	1,733.6
Shawano	1,094,163	0	109,416	1,203,580	109,416	10.0
Sheboygan	1,867,867	908,928	277,680	3,054,475	1,186,608	63.5
Taylor	1,041,929	0	104,193	1,146,122	104,193	10.0
Trempealeau	1,612,686	0	161,269	1,773,955	161,269	10.0
Vernon	709,686	14,227	72,391	796,304	86,618	12.2
Vilas	21,072	519,904	54,098	595,074	574,002	2,724.0
Walworth	100,182	2,380,946	248,113	2,729,241	2,629,059	2,624.3
Washburn	109,244	280,124	38,937	428,304	319,061	292.1
Washington	361,347	2,870,229	323,158	3,554,733	3,193,386	883.7
Waukesha	636,451	8,966,679	960,313	10,563,443	9,926,992	1,559.7
Waupaca	1,265,823	0	126,582	1,392,406	126,582	10.0
Waushara	55,115	517,469	57,258	629,843	574,727	1,042.8
Winnebago	2,180,941	1,852,818	403,376	4,437,135	2,256,194	103.5
Wood	2,853,821	0	285,382	3,139,203	285,382	10.0
Total	122,646,496	57,500,000	18,014,650	198,161,145	75,514,650	61.6%

*Municipalities in more than one county are shown in the county with the most municipal value.

ATTACHMENT 3

Aid Distribution to Counties Under the Proposal

County	Existing County and Municipal Aid	Deficiency Payment	10% Police and Fire	Total Aid	Aid Increase	Percent Increase
Adams	$18,606	$468,507	$48,711	$535,824	$517,218	2,779.9%
Ashland	826,370	0	82,637	909,007	82,637	10.0
Barron	1,150,386	0	115,039	1,265,425	115,039	10.0
Bayfield	51,979	326,611	37,859	416,449	364,470	701.2
Brown	2,650,453	3,735,596	638,605	7,024,654	4,374,201	165.0
Buffalo	320,637	0	32,064	352,700	32,064	10.0
Burnett	23,781	363,950	38,773	426,504	402,723	1,693.5
Calumet	697,847	587,896	128,574	1,414,317	716,471	102.7
Chippewa	1,241,630	326,641	156,827	1,725,098	483,468	38.9
Clark	1,842,537	0	184,254	2,026,791	184,254	10.0
Columbia	250,171	1,120,435	137,061	1,507,667	1,257,496	502.7
Crawford	849,869	0	84,987	934,856	84,987	10.0
Dane	1,577,102	12,032,995	1,361,010	14,971,107	13,394,005	849.3
Dodge	2,378,647	0	237,865	2,616,512	237,865	10.0
Door	33,274	675,747	70,902	779,923	746,649	2,243.9
Douglas	2,137,721	0	213,772	2,351,493	213,772	10.0
Dunn	2,212,451	0	221,245	2,433,696	221,245	10.0
Eau Claire	2,199,460	325,853	252,531	2,777,845	578,385	26.3
Florence	86,530	20,426	10,696	117,652	31,122	36.0
Fond du Lac	1,374,317	1,060,826	243,514	2,678,657	1,304,340	94.9
Forest	120,707	94,141	21,485	236,332	115,626	95.8
Grant	1,939,061	0	193,906	2,132,967	193,906	10.0
Green	316,780	558,625	87,540	962,945	646,165	204.0
Green Lake	70,209	376,108	44,632	490,949	420,740	599.3
Iowa	116,853	442,733	55,959	615,544	498,691	426.8
Iron	84,849	58,344	14,319	157,512	72,663	85.6
Jackson	923,785	0	92,379	1,016,164	92,379	10.0
Jefferson	1,177,235	846,775	202,401	2,226,411	1,049,176	89.1
Juneau	939,510	0	93,951	1,033,461	93,951	10.0
Kenosha	1,398,056	2,582,634	398,069	4,378,759	2,980,703	213.2
Kewaunee	644,061	0	64,406	708,467	64,406	10.0
La Crosse	3,517,419	0	351,742	3,869,161	351,742	10.0
Lafayette	1,640,229	0	164,023	1,804,252	164,023	10.0
Langlade	694,440	0	69,444	763,884	69,444	10.0
Lincoln	959,239	0	95,924	1,055,163	95,924	10.0
Manitowoc	2,558,506	0	255,851	2,814,357	255,851	10.0
Marathon	3,877,621	0	387,762	4,265,384	387,762	10.0
Marinette	992,523	0	99,252	1,091,775	99,252	10.0
Marquette	62,231	303,244	36,547	402,022	339,792	546.0
Menominee	434,844	0	43,484	478,328	43,484	10.0

State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-1969/1
KP&JK:amn&cjs

2023 BILL

AN ACT ***to repeal*** 20.835 (1) (c), 20.835 (1) (db), 20.835 (1) (dm), 20.835 (1) (e), 20.835 (1) (f), 20.835 (1) (fa), 20.835 (1) (r), 49.45 (51), 79.01, 79.02 (3) (e) and 79.035 (1); ***to renumber*** 79.02 (3) (a); ***to amend*** 79.035 (4) (c) 2., 79.035 (4) (d) 2., 79.035 (4) (e) 2., 79.035 (4) (f) 2., 79.035 (4) (g), 79.035 (4) (h), 79.035 (4) (i), 79.035 (5) and 79.05 (3) (d); ***to repeal and recreate*** 79.035 (5) and 79.035 (9) (intro.); and ***to create*** 16.5185 (3), 16.5186, 20.835 (1) (s), 20.835 (1) (t), 20.835 (1) (u), 20.835 (1) (v), 20.835 (1) (w), 20.835 (1) (x), 25.17 (1) (jf), 25.491, 79.035 (9) and 79.05 (4) of the statutes; **relating to:** increasing county and municipal aid payments and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, each county and municipality annually receives county and municipal aid payments. With certain exceptions, each county and municipality receives a county and municipal aid payment equal to the amount of the payment the county or municipality received in 2012. This bill creates a trust fund designated as the local government aid fund, to consist of moneys transferred each fiscal year from the general fund. In the 2024-25 fiscal year, the amount transferred into the local government aid fund is equal to 20 percent of the amount of state sales and use tax revenues, and in subsequent fiscal years the amounts transferred into the fund for public utility aid, county and municipal aid, per capita deficiency aid, and additional county and municipal aid will increase by the percentage increase in the amount of sales and use tax revenue from the previous fiscal year to the current fiscal year. In 2024, counties and municipalities will receive a county and municipal aid payment equal to the amount of the payment received by the county or municipality in 2012, and in subsequent years, each payment will increase by the percentage increase in the amount of sales and use tax revenue. The bill also requires the Department of Revenue to distribute a per capita deficiency aid payment to certain towns, cities, villages, and counties. The total amount available to be distributed as per capita deficiency aid payments will increase each year by the percentage increase in the amount of sales and use tax revenue.

In addition, each county and municipality will receive an additional payment from the local government aid fund to use for hiring, training, and retaining law enforcement officers, members of a paid fire department, and emergency medical responders and for local highways. Under the bill, this payment is equal to 10 percent of the total amounts that a county or municipality receives for county and municipal aid payment and for per capita deficiency aid. If in any year a county or municipality decreases the amount of its budget dedicated to hiring, training, and retaining law enforcement officers, members of the paid fire department, and emergency medical responders and for local highways, so that the amount is less than the amount so dedicated in the previous year, the secretary of the Department of Administration will reduce the county's or municipality's additional payment by the amount of the decrease in the county's or municipality's budget dedicated to hiring, training, and retaining law enforcement officers, members of the paid fire department, and emergency medical responders and for local highways.

The bill also makes the following fiscal and appropriation changes:

1. Creates a segregated fund appropriation from the local government aid fund for the expenditure restraint program payments and repeals the general purpose revenue appropriation for those payments. Under current law, a municipality is eligible to receive an expenditure restraint payment if its property tax levy is greater than five mills and if the annual increase in its municipal budget, subject to certain exceptions, is less than the sum of factors based on inflation and the increased value of property in the municipality as a result of new construction. The bill also provides that in 2025, each municipality will receive an expenditure restraint program payment that is equal to the payment received by the municipality in 2024.

2. Creates a segregated fund appropriation from the local government aid fund for public utility aid payments to counties and municipalities and repeals the general purpose revenue appropriation existing for those payments. Under current law, counties and municipalities where power production plants, electric substations, and general public utility structures are located receive public utility aid payments based on a statutory formula.

3. Creates a segregated fund appropriation from the local government aid fund for computer aid payments to taxing jurisdictions and repeals the general purpose revenue appropriation existing for those payments. Under current law, computers

and certain computer-related equipment are exempt from local personal property taxes, and DOA makes computer aid payments to taxing jurisdictions to compensate them for the corresponding loss of property tax revenue.

4. Creates a segregated fund appropriation from the local government aid fund for exempt personal property aid payments to taxing jurisdictions and repeals the general purpose revenue appropriation existing for those payments. Under current law, machinery, tools, and patterns not used for manufacturing purposes are exempt from local personal property taxes, and DOA makes exempt personal property aid payments to taxing jurisdictions to compensate them for the corresponding loss of property tax revenue. The bill also appropriates funds from the local government aid fund to make aid payments to taxing jurisdictions during the 2024-25 fiscal year if the personal property tax is repealed during the 2023-24 legislative session.

5. Creates a segregated fund appropriation from the local government aid fund for video service provider fee aid payments to municipalities and repeals the general purpose revenue appropriation existing for those payments. Under current law, the state provides an aid payment to municipalities to compensate the municipalities for a state-mandated reduction in the amount of video service provider franchise fees that a municipality may impose and collect.

7. Repeals the appropriation from the police and fire protection fund that provides funds for county and municipal aid payments.

8. Eliminates the general purpose revenue provided to local government units through the Medical Assistance program for providing transportation for medical care.

9. Transfers, beginning in the 2024-25 fiscal year, $8,000,000 from the local government aid fund to the transportation fund in each fiscal year.

For further information see the state and 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:

SECTION 1. 16.5185 (3) of the statutes is created to read:

16.5185 **(3)** On December 30, 2024, and on each December 30 thereafter, the secretary shall transfer from the local government aid fund to the transportation fund $8,000,000.

SECTION 2. 16.5186 of the statutes is created to read:

16.5186 Transfers involving the local government aid fund. (1) Beginning in fiscal year 2024-25, on the 2nd Monday in July in each fiscal year, the secretary shall transfer from the general fund to the local government aid fund 15 percent of the amount specified under s. 25.491, and on the 2nd Monday in November in each fiscal year, the secretary shall transfer from the general fund to the local government aid fund 85 percent of the amount specified under s. 25.491.

(2) On June 30, 2025, and on each June 30 thereafter, the secretary shall transfer the unencumbered balance of the local government aid fund in excess of 0.1 percent of the amounts deposited under s. 25.491 during that fiscal year, from the local government aid fund to the general fund.

SECTION 3. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

				2023-24	**2024-25**
20.835	**Shared revenue and tax relief**				
(1)	SHARED REVENUE PAYMENTS				
(x)	State aid; video service provider fee	SEG	A	-0-	10,008,200

SECTION 4. 20.835 (1) (c) of the statutes is repealed.

SECTION 5. 20.835 (1) (db) of the statutes is repealed.

SECTION 6. 20.835 (1) (dm) of the statutes is repealed.

SECTION 7. 20.835 (1) (e) of the statutes is repealed.

SECTION 8. 20.835 (1) (f) of the statutes is repealed.

SECTION 9. 20.835 (1) (fa) of the statutes is repealed.

SECTION 10. 20.835 (1) (r) of the statutes is repealed.

SECTION 11. 20.835 (1) (s) of the statutes is created to read:

20.835 **(1)** (s) *Expenditure restraint program.* From the local government aid fund, a sum sufficient to make the payments under s. 79.05 (3).

SECTION 12. 20.835 (1) (t) of the statutes is created to read:

20.835 **(1)** (t) *County and municipal aid.* From the local government aid fund, a sum sufficient to make the payments under s. 79.035 (9).

SECTION 13. 20.835 (1) (u) of the statutes is created to read:

20.835 **(1)** (u) *Public utility distribution account.* From the local government aid fund, a sum sufficient to make the payments under s. 79.04.

SECTION 14. 20.835 (1) (v) of the statutes is created to read:

20.835 **(1)** (v) *State aid; computer aid payments.* From the local government aid fund, a sum sufficient to make the payments under s. 79.095.

SECTION 15. 20.835 (1) (w) of the statutes is created to read:

20.835 **(1)** (w) *State aid; personal property tax exemption.* From the local government aid fund, a sum sufficient to make the payments under s. 79.096 and 2023 Wisconsin Act .... (this act), section 37 (1).

SECTION 16. 20.835 (1) (x) of the statutes is created to read:

20.835 **(1)** (x) *State aid; video service provider fee.* From the local government aid fund, the amounts in the schedule to make the state aid payments under s. 79.097.

SECTION 17. 25.17 (1) (jf) of the statutes is created to read:

25.17 **(1)** (jf) Local government aid fund (s. 25.491);

SECTION 18. 25.491 of the statutes is created to read:

25.491 Local government aid fund. (1) There is established a separate nonlapsible trust fund designated as the local government aid fund, to consist of the following moneys transferred from the general fund:

(a) In fiscal year 2024-25, 20 percent of the amount of revenues received from the taxes imposed under ss. 77.52 and 77.53 as specified for that fiscal year under s. 20.005 (1) by the biennial budget act.

(b) In fiscal year 2025-26, and in each fiscal year thereafter, the sum of the following:

1. The amount transferred from the general fund in the previous fiscal year.

2. The percentage change in the amount of revenues received from the taxes imposed under ss. 77.52 and 77.53 for the current fiscal year from the previous fiscal year, as specified for that fiscal year under s. 20.005 (1) by the biennial budget act multiplied by the sum of the amounts credited to the accounts under subs. (2), (3), (4), and (5) in the previous fiscal year.

(2) (a) There is established in the local government aid fund a separate account that is designated the public utility distribution account. In fiscal year 2024-25, and in each fiscal year thereafter, the sums specified in s. 79.04 shall be credited to this account.

(b) Each fiscal year, the department of administration shall make payments under this subsection before any other payments under this section. If the amount remaining after making the payments under this subsection is not sufficient to make the full payments under subs. (3), (4), and (5), the department of administration shall make payments in proportion to the amount owed and the total remaining amount available for distribution.

(3) There is established in the local government aid fund a separate account that is designated the county and municipal base aid account. In fiscal year 2024-25, the total amount of payments made in the previous fiscal year under s. 79.035 shall be credited to this account. In fiscal year 2025-26, and in each fiscal year thereafter, an amount equal to the amount credited to this account in the previous fiscal year, and subject to sub. (2) (b), increased by the percentage change in the amount of revenues received from the taxes imposed under ss. 77.52 and 77.53 from the previous fiscal year to the current fiscal year as determined under sub. (1), shall be credited to this account.

(4) There is established in the local government aid fund a separate account that is designated the per capita deficiency aid account to make the payments under s. 79.035 (9) (b). The following amounts shall be credited to this account:

(a) In fiscal year 2024-25, for distribution to towns, $65,000,000. In fiscal year 2025-26, and in each fiscal year thereafter, an amount equal to the amount credited to this account under this paragraph in the previous fiscal year, and subject to sub. (2) (b), increased by the percentage change in the amount of revenues received from the taxes imposed under ss. 77.52 and 77.53 from the previous fiscal year to the current fiscal year as determined under sub. (1), shall be credited to this account.

(b) In fiscal year 2024-25, for distribution to cities and villages, $75,000,000. In fiscal year 2025-26, and in each fiscal year thereafter, an amount equal to the amount credited to this account under this paragraph in the previous fiscal year, and subject to sub. (2) (b), increased by the percentage change in the amount of revenues received from the taxes imposed under ss. 77.52 and 77.53 from the previous fiscal year to the current fiscal year as determined under sub. (1), shall be credited to this account.

(c) In fiscal year 2024-25, for distribution to counties, $57,500,000. In fiscal year 2025-26, and in each fiscal year thereafter, an amount equal to the amount credited to this account under this paragraph in the previous fiscal year, and subject to sub. (2) (b), increased by the percentage change in the amount of revenues received from the taxes imposed under ss. 77.52 and 77.53 from the previous fiscal year to the current fiscal year as determined under sub. (1), shall be credited to this account.

(5) There is established in the local government aid fund a separate account that is designated the additional county and municipal aid account to make the payments under s. 79.035 (9) (c). In fiscal year 2024-25, and in each fiscal year thereafter, an amount equal to 10 percent of the sum of the amounts credited to the accounts under subs. (3) and (4) shall be credited to this account.

(6) There is established in the local government aid fund a separate account that is designated the expenditure restraint program account to make the payments under s. 79.05.

(7) There is established in the local government aid fund a separate account that is designated "state aid; computers" to make the payments under s. 79.095.

(8) There is established in the local government aid fund a separate account that is designated "state aid; personal property" to make the payments under s. 79.096.

(9) There is established in the local government aid fund a separate account that is designated "state aid; video service provider fee" to make the payments under s. 79.097.

SECTION 19. 49.45 (51) of the statutes is repealed.

SECTION 20. 79.01 of the statutes is repealed.

SECTION 21. 79.02 (3) (a) of the statutes is renumbered 79.02 (3).

SECTION 22. 79.02 (3) (e) of the statutes is repealed.

SECTION 23. 79.035 (1) of the statutes is repealed.

SECTION 24. 79.035 (4) (c) 2. of the statutes is amended to read:

79.035 **(4)** (c) 2. Except as provided under par. (h), the reduction determined under this paragraph may not exceed the lesser of an amount equal to 15 percent of the municipality's payment under this section in 2011, prior to any reduction under s. 79.02 (3) (e), 2021 stats., or 10 cents for each $1,000 of the municipality's equalized value, as determined under s. 70.57.

SECTION 25. 79.035 (4) (d) 2. of the statutes is amended to read:

79.035 **(4)** (d) 2. Except as provided in par. (h), the reduction determined under this paragraph may not exceed the lesser of an amount equal to 15 percent of the municipality's payment under this section in 2011, prior to any reduction under s. 79.02 (3) (e), 2021 stats., or 15 cents for each $1,000 of the municipality's equalized value, as determined under s. 70.57.

SECTION 26. 79.035 (4) (e) 2. of the statutes is amended to read:

79.035 **(4)** (e) 2. Except as provided in par. (h), the reduction determined under this paragraph may not exceed the lesser of an amount equal to 15 percent of the municipality's payment under this section in 2011, prior to any reduction under s. 79.02 (3) (e), 2021 stats., or 25 cents for each $1,000 of the municipality's equalized value, as determined under s. 70.57.

SECTION 27. 79.035 (4) (f) 2. of the statutes is amended to read:

79.035 **(4)** (f) 2. Except as provided in par. (h), the reduction determined under this paragraph may not exceed the lesser of an amount equal to 15 percent of the municipality's payment under this section in 2011, prior to any reduction under s. 79.02 (3) (e), 2021 stats., or 30 cents for each $1,000 of the municipality's equalized value, as determined under s. 70.57.

SECTION 28. 79.035 (4) (g) of the statutes is amended to read:

79.035 **(4)** (g) The reduction for a municipality that has a population greater than 110,000 is an amount equal to 30 cents for each $1,000 of the municipality's equalized value, as determined under s. 70.57, plus an amount equal to the municipality's population multiplied by the amount determined under par. (b) 1., except that the reduction determined under this paragraph may not exceed the lesser of an amount equal to 25 percent of the municipality's payment under this section in 2011, prior to any reduction under s. 79.02 (3) (e), 2021 stats., or 35 cents for each $1,000 in equalized value, as determined under s. 70.57.

SECTION 29. 79.035 (4) (h) of the statutes is amended to read:

79.035 **(4)** (h) The reduction determined under par. (c), (d), (e), or (f) for a town or village may not exceed the lesser of an amount equal to 25 percent of the town's or village's payment under this section in 2011, prior to any reduction under s. 79.02 (3) (e), 2021 stats., or the amount determined under par. (c) 2., (d) 2., (e) 2., or (f) 2. based on equalized value.

SECTION 30. 79.035 (4) (i) of the statutes is amended to read:

79.035 **(4)** (i) The reduction for a county is the amount determined under par. (b) 2. multiplied by the county's population, except that the reduction determined under this paragraph may not exceed the lesser of an amount equal to 25 percent of the county's payment under this section in 2011, prior to any reduction under s. 79.02 (3) (e), 2021 stats., or 15 cents for each $1,000 of the county's equalized value, as determined under s. 70.57.

SECTION 31. 79.035 (5) of the statutes is amended to read:

79.035 **(5)** Except as provided in subs. (6), (7), and (8), for the distribution in 2013 and in subsequent years ending with 2023, each county and municipality shall receive a payment under this section that is equal to the amount of the payment determined for the county or municipality under this section for 2012.

SECTION 32. 79.035 (5) of the statutes, as affected by 2019 Wisconsin Act 19 and 2023 Wisconsin Act .... (this act), is repealed and recreated to read:

79.035 **(5)** Except as provided in subs. (7) and (8), for the distribution in 2013 and in subsequent years ending with 2023, each county and municipality shall receive a payment under this section that is equal to the amount of the payment determined for the county or municipality under this section for 2012.

SECTION 33. 79.035 (9) (intro.) of the statutes, as created by 2023 Wisconsin Act .... (this act), is repealed and recreated to read:

79.035 **(9)** (intro.) Except as provided in subs. (7) and (8), for the distribution in 2024 and subsequent years, each county and municipality shall receive payments under this section as follows:

SECTION 34. 79.035 (9) of the statutes is created to read:

79.035 **(9)** Except as provided in subs. (6), (7), and (8), for the distribution in 2024 and subsequent years, each county and municipality shall receive payments under this section as follows:

(a) 1. For the distribution in 2024, each county and municipality shall receive a payment equal to the amount it received under this section in 2023.

2. For the distribution in 2025 and subsequent years, each county and municipality shall receive a payment equal to the proportion of the total payments from the county and municipal base aid account under s. 25.491 (3) that the county or municipality received in 2024 multiplied by the amount for the year in the county and municipal base aid account under s. 25.491 (3).

(b) 1. The department of revenue shall distribute the amount determined under s. 25.491 (4) (a) to towns to maximize across all towns the minimum per capita amount of total payments received under this subdivision and par. (a) by any town.

2. The department of revenue shall distribute the amount determined under s. 25.491 (4) (b) to cities and villages to maximize across all cities and villages the minimum per capita amount of total payments received under this subdivision and par. (a) by any city or village.

3. The department of revenue shall distribute the amount determined under s. 25.491 (4) (c) to counties to maximize across all counties the minimum per capita amount of total payments received under this subdivision and par. (a) by any county.

(c) 1. From the appropriation account under s. 20.835 (1) (t), each county and municipality shall receive a payment that equals 10 percent of the total amount received by the municipality or county under pars. (a) and (b) to be used for hiring, training, and retaining law enforcement officers, as defined in s. 165.85 (2) (c), members of the paid fire department, as defined in s. 213.10 (1g), and emergency medical responders, as defined in s. 256.01 (4p), and for local highways.

2. a. For the distribution in 2024 and subsequent years, if in any year a county or municipality decreases the amount of its budget dedicated to hiring, training, and retaining law enforcement officers, as defined in s. 165.85 (2) (c), so that the amount is less than the amount so dedicated in the previous year, the secretary of administration shall reduce the county's or municipality's payment under subd. 1. by the amount of the decrease in the county's or municipality's budget dedicated to hiring, training, and retaining law enforcement officers. This subd. 2. a. does not apply to a county or municipality that transfers responsibility for providing law enforcement to another local unit of government or that enters into a cooperative

agreement to share law enforcement responsibilities with another local unit of government.

b. For the distribution in 2024 and subsequent years, if in any year a county or municipality decreases the amount of its budget dedicated to hiring, training, and retaining members of the paid fire department, as defined in s. 213.10 (1g), so that the amount is less than the amount so dedicated in the previous year, the secretary of administration shall reduce the county's or municipality's payment under subd. 1. by the amount of the decrease in the county's or municipality's budget dedicated to hiring, training, and retaining members of the paid fire department. This subd. 2. b. does not apply to a county or municipality that transfers responsibility for providing fire protection to another local unit of government or that enters into a cooperative agreement to share fire protection responsibilities with another local unit of government.

c. For the distribution in 2024 and subsequent years, if in any year a county or municipality decreases the amount of its budget dedicated to hiring, training, and retaining emergency medical responders, as defined in s. 256.01 (4p), so that the amount is less than the amount so dedicated in the previous year, the secretary of administration shall reduce the county's or municipality's payment under subd. 1. by the amount of the decrease in the county's or municipality's budget dedicated to hiring, training, and retaining emergency medical responders. This subd. 2. c. does not apply to a county or municipality that transfers responsibility for providing emergency medical services to another local unit of government or that enters into a cooperative agreement to share emergency medical services responsibilities with another local unit of government.

d. For the distribution in 2024 and subsequent years, if in any year a county or municipality decreases the amount of its budget dedicated to local highways, so that the amount is less than the amount so dedicated in the previous year, the secretary of administration shall reduce the county's or municipality's payment under subd. 1. by the amount of the decrease in the county's or municipality's budget dedicated to local highways.

SECTION 35. 79.05 (3) (d) of the statutes is amended to read:

79.05 **(3)** (d) Multiply the amount under par. (c) by the amount for the year under s. 79.01 (1), 2021 stats.

SECTION 36. 79.05 (4) of the statutes is created to read:

79.05 **(4)** Notwithstanding subs. (2) and (3), in 2025 each municipality shall receive a payment under this section that is equal to the amount of the payment received by the municipality under this section in 2024.

SECTION 37. Nonstatutory provisions.

(1) STATE AID; PERSONAL PROPERTY TAX EXEMPTION. If legislation is enacted during the 2023-24 legislative session to eliminate the personal property tax imposed under ch. 70, effective with the January 1, 2024, assessments, the department of revenue shall certify the amount of property taxes that would have been levied by each taxing jurisdiction on all items of personal property for the property tax assessments of January 1, 2024, to the department of administration, and the department of administration shall make a payment to the taxing jurisdiction for that amount from the appropriation under s. 20.835 (1) (w).

SECTION 38. Fiscal changes.

(1) MEDICAL CARE TRANSPORTATION SERVICES. In the schedule under s. 20.005 (3) for the appropriation to the department of health services under s. 20.435 (4) (b), the

dollar amount for fiscal year 2024-25 is decreased by $2,000,000 as a result of eliminating the supplement payments to local governmental units for the provision of transportation for medical care.

SECTION 39. **Effective dates.** This act takes effect on July 1, 2024, except as follows:

(1) COUNTY AND MUNICIPAL AID. The repeal and recreation of s. 79.035 (5) and (9) (intro.) takes effect on June 30, 2036.

(END)

OFFICE OF THE MAYOR
LA CROSSE

SENATE TESTIMONY

Qualified Support of SB 301

Testimony before the Senate Committee on Shared Revenue, Elections and Consumer Protection

Wisconsin State Senate

May 23, 2023

Mitch Reynolds
Mayor of the City of La Crosse

400 La Crosse Street * La Crosse, WI 54601 * Phone (608) 789-7500 *reynoldsm@cityoflacrosse.org *
www.cityoflacrosse.org

I am Mitch Reynolds, Mayor of the City of La Crosse. I am here representing the constituents of my city and I am generally in support of the legislation before you today; SB 301.

Our communities are facing a crisis. Municipalities provide the daily services that our citizens rely on to conduct the everyday activity of their lives. Yet our capacity to provide those services has increasingly been challenged by the stagnation of the state share of funding that is required for local governments to function.

I appreciate the work that has been done to get us to the point where we have a conceptual agreement on how to improve the funding mechanism for local government. Linking funding to economic growth ensures at least some ability for cities like mine to keep up with inflation. While I understand there remain differences on how to fully effectuate this change, please know there is consensus among those who provide essential local services that this appears to be a path of sustainability. That a dedicated 20% of state sales tax revenue to assist in funding local governments will help keep our police on the streets preventing crimes, our firefighters extinguishing fires and saving lives, and our public works personnel repairing streets and sidewalks. That to fail at this legislative effort will mean certain failure in our communities.

I do have some misgivings about SB 301 and the process ahead.

I believe the maintenance of effort requirements for police are unnecessary and potentially damaging to our efforts to recruit and retain new officers. At this point, all law enforcement agencies around our state are struggling to recruit. I doubt our state lawmakers would want to exacerbate this already critical shortage of available officers. Let me assure you that minimums for arrests and tickets would do precisely that. In addition, just as we struggle to fill vacancies in the La Crosse police department—in part because our officers remain underpaid for the extraordinary work they do—we risk punitive funding cuts for not being able to hire the officers we need to police our streets and keep our citizens safe.

I am concerned that disagreement over policy dictates within this legislation will scuttle the ship. Drawing a line in the sand over, for example, whether Milwaukee must hold a bankruptcy-preventing public referendum on sales tax seems like a really good path towards stalemate and catastrophic failure. We are in the midst of watching our national leaders play chicken with both our personal and family finances and our nation's status as a global economic leader in the ongoing debt ceiling debate. I urge a more pragmatic and thoughtful approach among our state legislators on this critical funding issue before us.

La Crosse is among those mid-sized cities in Wisconsin that are regional centers for services. That means people from the towns and villages all around us come to take advantage of our libraries, our medical centers, our higher educational institutions, and our parks. People from towns drive on our roads and park in our parking ramps and enjoy our recreational opportunities. There are unsheltered individuals who arrive in La Crosse from the surrounding region because La Crosse is where the Salvation Army and other shelters are. It is where medical services are accessible. Where addiction and mental treatment can be attained. Two decades ago, lawmakers working on a shared revenue model acknowledged that cities like La Crosse provide services to populations that never pay for those services. That cities like La Crosse have a lower property tax base per capita and require additional aid from the state to help support those essential services.

For the last two years, our city has used millions in federal American Rescue Plan Act funding to avoid significant cuts to essential services. That is clearly not a path of sustainability. But has been necessitated by inflationary and other pressures. It should come as no surprise to any of you that I prefer the governor's announced plan for funding as that would put La Crosse on a solid fiscal footing after years of plugging holes with one-time funds, cutting services, deferring maintenance, and holding open vacant positions. I certainly appreciate the amended version of the assembly bill that changed minimum funding increases for cities like La Crosse upwards to 15% and I would hope the Senate would move in the same direction.

La Crosse is one of the cities that will receive the lowest percentage increase of state funding in this legislation. Still, it is an increase. Adjustments will be tied to economic growth. I am very much in favor of that as a concept and believe the future will look better and brighter for my city because of it. I do not begrudge any municipality that receives a higher initial percentage funding increase. There is real need out there—everywhere—and we are all extremely pleased that the need is finally being addressed in some kind of way. Let us please find a path forward together through realistic and reasonable compromise.

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Remarks for the Senate Committee Meeting
Mayor Steve Ponto
May 23, 2023

Good afternoon!

My name is Steve Ponto, and I am the Mayor of the City of Brookfield. I am pleased to be with you this afternoon because the subject we are discussing – how local government is financed in Wisconsin – is extremely important. I very much appreciate the efforts being made by large number of legislators and others to make needed improvements in the current system.

In the last 20 years, state aid for municipalities has actually declined, while inflation has caused prices to increase by 51%. In 2003, the funding level for County and Municipal Aid was $938.5 million. Today, it is $753 million.

For the City of Brookfield, shared revenue in 2003 was just over $1,000,000; today, in 2023, it is $578,000; at the same time the State has imposed strict property tax limits on municipalities, with no provision for a basic increase for communities with minimal new development and no provision to make adjustments based on the current significant rate of inflation.

Unless municipalities obtain more resources, we will be unable to provide the same level and quality of local services that we have in the past. Wisconsin should increase its investment in cities because if cities are not doing well, neither is the State.

As a key part of helping us provide the quality local services which our shared constituency deserves, I strongly support devoting 20% percent of Wisconsin's 5% sales tax revenue to a non-lapsable fund for local governments on an on-going, sustainable basis.

I appreciate the specific proposal being considered here today and am hopeful that, with input from both houses of the Legislature and from the Governor, it will lead to a workable solution for all of our local governments.

Wisconsin Democracy Campaign
203 South Paterson Street, Suite 100 / Madison, WI 53703-3689 / 608 255-4260 / www.wisdc.org

Testimony of Matt Rothschild, Executive Director

To the Senate Committee on Shared Revenue, Elections and Consumer Protection in opposition to Senate Bill 301

May 23, 2023

Chair Knodl and other distinguished members of the Senate Committee on Shared Revenue, Elections and Consumer Protection,

I'm Matt Rothschild, the executive director of the Wisconsin Democracy Campaign, which has been around since 1995. We track and expose the money in our politics, and we advocate for a broad range of pro-democracy reforms so that everyone can have an equal voice in our public affairs.

We oppose SB301.

We share the criticism of this bill put forward by Black Leaders Organizing in Communities and by Leaders Igniting Transformation.

In a recent column, they wrote that "Republicans in Madison" are trying "to hold our city hostage" by attaching so many strings to the proposed increase in shared revenue.

Here are some of the nasty strings they pointed to: "putting cops back in schools, telling the mayor and the alders (not to mention community members' voices) that city budgets can't even include the option of cutting the police budget, in addition to gutting the authority of the Fire and Police Commission."

They noted: "In June of 2020, the Milwaukee Public School Board of Directors voted unanimously – and democratically – to sever contracts between the school district and the Milwaukee Police Department. This historic decision did not happen overnight. Members of Leaders Igniting Transformation (LIT) spent years organizing community members and lobbying MPS administration and Board Directors to remove a police presence in schools."

And now you want to go over the heads of the citizens of Milwaukee and their representatives on the school board. That's disgraceful.

As BLOC and LIT noted, "Let us be clear: This is another facet of a continued attack on democracy in the state's most diverse county by undermining our voices."

And they underlined the irony. This attack is "from a party who claims to value local control, apparently as long as the county isn't especially Black and Brown," they wrote.

We echo this on-point critique from BLOC and LIT.

And we oppose, in the strongest terms possible, the section of SB301 that bans advisory referendums at the county and municipal level.

This provision is a blatant violation of the Wisconsin Constitution and a slap in the face to every citizen of this state. You are telling all of us that you don't even want to hear from us, and that we can't even express ourselves in advisory referendums on public issues through our local governments.

In 26 states, the citizens have the right, by plebiscite, to make law by themselves, over the head of the Legislature. I believe we should have that right in Wisconsin, as well.

But now you don't even want us to have the ability to offer our views on advisory referendums that have no binding power and only act as a vehicle of public speech. You want to impound that vehicle, and that's outrageous.

Advisory referendums provide the public with crucial ways to express themselves on vital issues of the day, and to communicate with you and other elected officials.

Here are but three examples.

On the issue of gerrymandering, over the last several years, 32 counties and 21 municipalities have passed a fair maps referendum, almost always by overwhelming margins.

Or take the issue of legalizing marijuana. Last November, three counties and five municipalities voted in favor of this by large margins on their advisory referendums.

Or take the issue of money in politics. Over the last dozen years, 12 counties and 80 municipalities passed referendums saying they want to amend the U.S. Constitution to proclaim that corporations aren't persons and money isn't speech. These referendums have also passed by huge margins almost all the time. On April 4, for instance, the people of Viroqua passed it with 91% approval.

OK, even if you don't value the opportunity to hear the views of the citizens of this great state, I would have thought that you'd value the words, and the meaning, and the purpose of Wisconsin's Constitution.

Because your provision to ban advisory referendums runs afoul of several sections of the Wisconsin Constitution.

Article 1, Section 3, states, in part: "no laws shall be passed to restrain or abridge the liberty of speech." Your provision abridges our liberty to speak.

Article I, Section 4, on "the right to assemble and petition," states in full: "The right of the people peaceably to assemble, to consult for the common good, and to petition the government, or any department thereof, shall never be abridged." Your provision facially and flagrantly violates this section.

Article XI, Section 3, on 'municipal home rule," states, in part: "Cities and villages organized pursuant to state law may determine their local affairs and government, subject only to this constitution and to such enactments of the legislature of statewide concern as with uniformity shall affect every city or every village. The method of such determination shall be prescribed by the legislature." There is no "statewide concern" here for the Legislature to intervene and override our cherished principle of home rule.

As with other wrong-headed and unconstitutional acts of the Legislature over the last dozen years, this one would embroil the State of Wisconsin in expensive litigation, which I'm confident you would lose. But who would put up the tab again? We, the taxpayers! And I can guarantee you that we, the taxpayers, are sick and tired of paying for your mistakes.

So I urge you to strip the language about advisory referendums out of this bill.

Do not muffle the voices of the citizens of Wisconsin.

Do not abridge our freedom of speech and assembly.

Do not abridge our right to petition our government.

Do not meddle with home rule and local self-governance.

Do not violate the Wisconsin Constitution.

And don't waste our money while you're doing it.

Thank you for considering the views of the Wisconsin Democracy Campaign on this matter.

To: Senator Daniel Knodl, Chair
Members of the Senate Committee on Shared Revenue, Elections & Consumer Protection

From: Alan DeYoung, Executive Director

Date: Tuesday, May 23, 2023

RE: **Senate Bill 301 & Assembly Bill 245 re: Local Government Funding**

Honorable Members of the Senate Committee on Shared Revenue, Elections & Consumer Protection:

On behalf of the Wisconsin Emergency Medical Services Association (WEMSA) and the first responders and departments that we represent, we are submitting the following testimony in support of provisions contained in Senate Bill 301 \ Assembly Bill 245 and the corresponding co-sponsorship memo summary that details the levels of funding to be included in the state budget. Our association represents half of all active EMS providers and their departments in Wisconsin, over 7,000 EMS providers and over 350 EMS departments, both urban and rural.

WEMSA supports proposals and efforts to increase funding to help stabilize Wisconsin's Emergency Medical Services (EMS) system. Which is why our association is supporting the bill, specifically on the policy items contained in Senate Bill 301 and Assembly Bill 245 and fiscal initiatives outlined in the corresponding co-sponsorship memo - in relation to the new aid funding for local governments, "Maintenance of Effort" provisions for EMS, the proposed $25 million annual base appropriation (increased from $2.2 million) and expanded uses of the Funding Assistance Program (FAP).

We ask that the Committee and State Senate **not weaken** the maintenance of effort provision as passed by the Assembly. However, we do have recommendations to strengthen the language to ensure reliable EMS service and ensure municipalities are prioritizing compliant EMS ambulance response in their supplemental shared revenue expenditures.

Require that all municipalities receiving funds from the supplemental shared revenue program shall ensure that the 9-1-1 ambulance service provider is providing reliable ambulance service. Reliable ambulance service is defined as providing continuous response capability as required in the municipality's ambulance provider's approved operational plan as required by Wisconsin statute 256 and DHS 110 administrative code. Provide a provision that funds can only be expended on EMS Ambulance Service unless the service is reliable and then can be expended on the other authorized uses for this funding. Municipalities in counties which operate a countywide EMS system and receive service from the county system are considered to have met this requirement.

For many years, EMS in Wisconsin has faced the challenges of underfunding and inadequate resources, often relying on volunteers to provide critical 9-1-1 emergency medical response services. The proposed increase in the Funding Assistance Program (FAP) to $25 million per year from its current $2.2 million, as well as the expansion of the program to include non-transport (EMR) departments, represents an important first steps toward addressing the financial needs of EMS providers across the state.

Overall, we commend any proposals that increase or create new aid funding for local EMS. To that end, any ability to provide additional funding to build upon this for emergency medical services would assist in further stabilizing local services and with the recruitment and retention crisis facing EMS.

It is important for policymakers to recognize that EMS providers are already extremely efficient - operating on tight budgets, with costs frequently being subsidized by volunteer efforts. What state staffing positions or programs rely on volunteers, such as the nearly 80 percent of Wisconsin's EMS systems do? What other programs rely on local fundraising events to supplement local EMS budgets? Further, studies conducted by the Wisconsin Policy Forum have demonstrated that consolidating EMS services may not lead to immediate cost savings.

In conclusion, we believe that the Senate Bill 301 \ Assembly Bill 245 provisions relating to funding for public safety and maintenance of effort - and the corresponding co-sponsorship memo outlining state budget funding appropriations represent an important step toward providing needed funding to help stabilize Emergency Medical Services in Wisconsin, ultimately ensuring the safety and well-being of our citizens. We encourage the Senate Committee to consider our recommendations and continue working towards a well-funded and fully-operating EMS system in the state.

Thank you,

Alan DeYoung, M.S.
Executive Director/ CEO
Wisconsin EMS Association

For statistical data and related information, please reach out to the Wisconsin EMS Association (WEMSA) at 414-431-8193 or wemsa@wisconsinems.com to get additional information.

Coalition to REPEAL Wisconsin's Personal Property Tax

Michelle Kussow
Submitted Testimony on SB 301
Senate Committee on Shared Revenue, Elections and Consumer Protection
May 23, 2023

Chairman Knodl, members of the committee, thank you for your time and the opportunity to provide testimony on SB 301 on behalf of the Coalition to Repeal Wisconsin's Personal Property Tax.

The language that is included in Senate Bill 301 accomplishes the coalition's goals by fully repealing the personal property tax and providing a mechanism for municipalities to be reimbursed for the lost revenue. We are pleased that the personal property tax language has been agreed upon by the bill authors and the administration. We know that this was no easy task and would like to thank everyone involved, but specifically Senators Knodl and Stroebel for their work on this issue for nearly a decade.

The Coalition to Repeal Wisconsin's Personal Property Tax was created 8 years ago to bring awareness to the unfair nature of the personal property tax and to have a uniform message calling for repeal. The coalition has 61 major statewide organizations that represent nearly every business in our state with a single purpose: to repeal the personal property tax and make sure that municipalities are made whole.

We've all heard about the long history of the tax which was part of the original property tax, and the first piece of legislation after Wisconsin's statehood in 1849. Originally, it taxed all property owned by individuals and businesses and included the clothes on your back and the animals that you owned. Over the past nearly 175 years, the Wisconsin Legislature has taken many whacks at the tax, exempting individual property, specific business property and even exempting entire industries from the tax. What's left is a tax on furniture, fixtures, boats and a few odds and ends—items found in businesses up and down the mainstreets of every city in Wisconsin, which is why we call it a Mainstreet tax.

After nearly two centuries worth of exemptions, the personal property tax now looks like swiss cheese and is an entirely unfair and unconstitutional way to tax. Senator Stroebel has put this into perspective by saying that there is not a person in this legislature that would vote for this tax in the form it is in today.

When the coalition started working on this issue and pushing for repeal of the tax in 2015, we spent a lot of time educating legislators on what the tax was and why it was an unfair tax. Today, the coalition is thankful that repealing the personal property tax is a bipartisan issue and a priority for many lawmakers. We are hopeful that this session the tax is finally, and fully, repealed.

Wisconsin Council
of Religious &
Independent Schools

TO: Members, Senate Committee on Shared Revenue, Elections and Consumer Protection

FROM: Sharon L. Schmeling, Executive Director

SUBJECT: SB 301 - Reporting certain crimes and other incidents that occur on school property or school transportation

DATE: May 23, 2023

Thank you for your consideration. The Wisconsin Council of Religious and Independent Schools (WCRIS) has no position on SB-301. But we have some serious concerns about some of its provisions. We provide our perspective for information only.

As you may know, WCRIS represents over 600 private schools and over 100,000 students in K-12 schools across the state. About two-thirds of those schools utilize the choice programs to carry out their mission of expanding access to the education they provide.

WCRIS takes no position on the sales tax increase. We would like to address the provision requiring Choice schools to report incidents of crime that take place on school grounds. We fully understand the need for safe schools and are committed to improving safety measures at all schools. In fact, many of our families choose Choices schools because they provide a safe environment for their children.

As you deliberate about the sales tax increase, please consider our concerns with the implementation of the crime reporting requirement. WCRIS voiced these concerns when a similar bill, AB-53, had a hearing this session. Many other groups also opposed this reporting requirement for a variety of logistical reasons, which have been identified for years.

WCRIS is specifically concerned about the following:

1. School safety is an issue that needs prevention efforts. WCRIS is concerned that this provision could hinder educators from calling the police because they fear their cries for help will show up on statistics.

Archdiocese of Milwaukee

Association of Christian Schools International

Christian Schools International

Diocese of Green Bay

Diocese of LaCrosse

Diocese of Madison

Diocese of Superior

Lutheran Church Missouri Synod North Wisconsin District

Lutheran Church Missouri Synod South Wisconsin District

Wisconsin Association of Independent Schools

Wisconsin Conference of Seventh Day Adventists

Wisconsin Evangelical Lutheran Synod Northern Wisconsin District

Wisconsin Evangelical Lutheran Synod Western Wisconsin District

Wisconsin Evangelical Lutheran Synod Southeastern Wisconsin District

Associate Members

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Madison, WI 53703

Due to general societal violence and mass shootings, we need more school staff comfortable with law enforcement, not less.

2. How do the Constitutional "innocent until proven guilty" protections fit within the context of reporting a criminal charge? A charge does not prove that someone committed a crime. Anyone can be charged. Charges often drastically differ from a layman's interpretation of the events, for good reason.

3. The 6 a.m. to 10 p.m. limits are too early and too late in the day to hold school administrators responsible. Many administrators do come early or stay late. But they are more than likely gone before 10 p.m., leaving only security and janitorial staff to lock up. Mandatory reporting should be only required for an hour before the school day begins and two hours after the school day ends.

4. Police departments should be required to collect the information and send it to the Department of Justice Office of School Safety, which can collate it and issue an annual report to each school that could be shared with the public. We should let public safety experts report the charges, not school leaders with no official access to accurate information.

5. Private schools will struggle to comply with additional state-mandated paperwork. Our administrators are already overworked with teacher and substitute teacher shortages. And, such a requirement will make it harder to recruit administrators.

6. The state voucher amount is already not sufficient to cover the full costs of education. This potential reporting requirement will require additional non-remunerated work for our school leaders.

Please take time to resolve or address these issues before including the crime reporting requirement in this bill.

Please don't hesitate to contact me if WCRIS can be of additional service.

Wisconsin Council of Religious & Independent Schools

TO: Members, Senate Committee on Shared Revenue, Elections and Consumer Protection

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Please don't hesitate to contact me if WCRIS can be of additional service.

WMC
Wisconsin's Chamber

TO: Senate Committee on Shared Revenue, Elections and Consumer Protection

FROM: Evan Umpir, Director of Tax, Transportation, and Legal Affairs

DATE: May 23, 2023

RE: Support of Personal Property Tax Repeal Provisions in SB 301

Thank you Chairman Knodl, Ranking Member Spreitzer, and Committee members for the opportunity to comment on 2023 Senate Bill 301, specifically the provisions relating to personal property tax repeal.

WMC is the largest general business association in Wisconsin, representing approximately 3,800 member companies of all sizes, from every sector of the economy. Since 1911, our mission has been to make Wisconsin the most competitive state in the nation to do business. Repeal of the personal property tax is one items that could not be a more clear competitive disadvantage to, and burden on, Wisconsin businesses that businesses in many states around the country do not have to calculate and pay every year, which is why WMC has strongly supported its repeal. Wisconsin's business climate has dropped to 27th in 2023 from our peak at 25th in 2020.[1] Repealing the personal property tax has been identified as one simple solution that will enhance Wisconsin's business climate and competitiveness.[2]

This tax, which costs businesses approximately $200 million, costs businesses much more than the dollar amount that must be paid every year. Businesses must annually calculate the cost of their property, or pay to have an accountant undertake the project, which costs both time and money, both of which could be put to better use serving customers. As Ben Franklin is attributed writing in 1748, "time is money." Not only does compliance cost businesses, but assessors also spend countless hours a year devoted to ensuring the tax is paid. With the twenty-seven exemptions in statute already, the tax collected combined with the cost of compliance – both to the private and public sectors – is not worth the money and effort on both sides of the equation. The human capital expended to aid compliance and tax money paid could much better be utilized by serving customers and reinvesting in business, particularly at this time when so many businesses are struggling to find workers.

As mentioned, Wisconsin has made efforts to lessen this burden. As noted, the twenty-seven exemptions to the tax have helped relieve some of this burden, the most recent in 2017, but much property and many businesses are still subject to the tax. Not only is the tax a competitive disadvantage for Wisconsin, but frequently the exemptions have resulted in non-uniform

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[1] Janelle Fritts and Jared Walczak, "2023 State Business Tax Climate Index," Tax Foundation (October 25, 2022), available at: https://taxfoundation.org/2023-state-business-tax-climate-index/.

[2] Katherine Loughead, "Wisconsin Legislature Considering Several Pro-Growth Tax Reforms," Tax Foundation (June 29, 2021), available at: https://taxfoundation.org/wisconsin-state-budget-tax/.

application and/or litigation, which cans leave similarly situated businesses in different jurisdictions confused, frustrated, and on unequal footing. Full repeal of the personal property tax is the simplest, best course of action after the long – decades long – effort to repeal this tax which predates our statehood.

Last session, the Legislature set aside funding to ensure that local governments who are directly impacted by the collection of this tax are not impacted by the loss of this tax revenue. While ultimately last session's repeal bill was vetoed, the same sentiment to ensure that both businesses and local government are not harmed through repeal remains alive and a bipartisan goal.

Another issue of concern in past sessions would be ensuring repeal would not negatively impact manufacturers who claim the Manufacturing and Agriculture Credit. I am happy to say that **WMC and the Department of Revenue (DOR) have come to agreement on language reflected in SB 301 that both sides feel confident is viable; past concerns over the effect of repealing the personal property tax should no longer be an impediment to repeal becoming law effective with the 2024 tax year.** I would like to thank DOR for their efforts to address our concerns.

WMC and the business community, would like to thank the authors of the repeal, including Chairman Knodl, for their tireless commitment to seeking repeal of the personal property tax, the DOR for their efforts to address WMC's concerns, and the other legislators and stakeholders who have worked the last few months – and many, many sessions prior – to see that Wisconsin can become a more competitive state to do business and promote economic opportunity and growth by repealing the personal property tax.

WISCONSIN RESTAURANT ASSOCIATION

2801 Fish Hatchery Road | Madison, WI 53713 | (608) 270-9950 | (800) 589-3211 | FAX (608) 270-9960 | www.wirestaurant.org

May 23, 2023

TO: Senate Committee on Shared Revenue, Elections and Consumer

FR: Susan Quam, WRA Executive Vice President

Thank you for the opportunity to share comments relating to the repeal of the Personal Property Tax (PPT) which is contained in SB 301.

- Over many decades, many industries have been exempted from paying the PPT based on their business activities. However, main street businesses, like restaurants pay the PPT tax over and over again on fixtures and equipment that they already paid state and county sales tax on when purchased

- There are businesses, such as bakeries, that restaurants compete with those who do not pay PPT on their equipment and fixtures, but restaurants still do. This is not fair and creates an uneven playing field

- For a lot of restaurants, especially independent operators, the fixtures and furniture on which PPT is owed, has already fully depreciated and is no longer on their balance sheets, yet they still must have it on their PPT roster

- Restaurants margins are thin. In 2019 the average Wisconsin restaurant had a profit margin of 3-5 percent. Now, many are just breaking even or may have a 1-2 percent margin. Eliminating the PPT will help the industry continue to recover from pandemic and the inflationary forces caused by the pandemic that are out of restaurant operator's control. While Wisconsin restaurants are busy, that does not mean they have recovered from terrible years in 2020 and 2021

- The PPT discourages most independent restaurants from remodeling or investing in their business. If a restaurant is a franchise, it is required to remodel every 7-10 years, forcing those restaurants to pay even higher PPT, since the fixtures are newer and never fully depreciated

- Please help all the businesses who unfairly still pay this onerous tax each year and finish the job to repeal the Personal Property Tax!

The Wisconsin Restaurant Association (WRA) represents over 7,000 restaurant locations statewide and represents all segments of the restaurant and hospitality industry. Our membership includes food establishments of all types and sizes, such as seasonal drive-ins, supper clubs, diners, bars, locally owned franchisees, fine-dining, and hotels/resorts. Over 75 percent of our membership are independent restaurants or restaurant groups. Regardless of ownership type, all restaurants are the cornerstones of their neighborhoods and communities. Restaurants not only provide great food, drink, and hospitality, they support schools, teams, charities and churches with fundraising and donations. They provide meeting places to celebrate, mourn and organize, or just provide a safe, tasty meal for a busy family.

WISCONSIN HOTEL & LODGING ASSOCIATION

To: Members of the Senate Committee on Shared Revenue, Elections and Consumer Protection
Sen. Dan Knodl, Chair

From: Kathi Kilgore, Contract Lobbyist

Date: May 23, 2023

Re: Support for Eliminating the Personal Property Tax

The Wisconsin Hotel & Lodging Association is made up of approximately 600 bed and breakfasts, vacation homes, hotels, motels, resorts, and other industry partners who play a key role in the successful operation of lodging properties in the state. Our members span across all regions of the state, and we represent a great variety of independent, franchise, family-owned and corporate-owned properties. Some have restaurants, some have attractions, and some are single units that allow you to get away from it all.

No matter what type of property they run or which corner of the state they do business in, WHLA members support the repeal of Wisconsin's archaic Personal Property Tax. For decades, the Legislature has been chipping away at the tax, picking winners and losers by exempting specific equipment and industries. This unfair approach has put the tax and compliance burden on Wisconsin's lodging industry and other "Main Street" businesses.

We know that these taxes are a factor when developers decide if they are going to invest in new hotels in our communities, and the personal property tax deters economic development throughout the state. The lodging industry is already paying sales tax to acquire personal property items, like tables, chairs, beds and other furniture and fixtures, so it is especially unfair to continue to tax us year after year on the same goods. Lodging properties who try to "stay fresh" remodel and upgrade fixtures and furnishings on a regular basis, so we are not able to fully depreciate our personal property. Oftentimes, our franchise agreements require it every seven years.

We look forward to working with you all to bolster Wisconsin's tourism economy to help advance our great state.

125 North Executive Drive, Suite 206 | Brookfield, WI 53005
262.782.2851 | www.wisconsinlodging.org

TO: Honorable Members of the Senate Committee on Shared Revenue, Elections and Consumer Protection

FROM: Wisconsin Association of Local Health Departments and Boards (WALHDAB) and the Wisconsin Public Health Association (WPHA)

DATE: May 23, 2023

RE: Please Remove Provision Limiting Local Health Officer Authority from Senate Bill 301, the Shared Revenue Bill

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The Wisconsin Association of Local Health Departments and Boards (WALHDAB) and the Wisconsin Public Health Association (WPHA) represent over 1,200 public health professionals who promote and protect the health of Wisconsin residents. Local health officers across Wisconsin have specialized training, education, and experience to make informed decisions to protect health.

We applaud the Legislature's efforts to expand shared revenue to local communities through Senate Bill 301. As we all know, local governments continue to face revenue challenges and need increased shared revenue from the State of Wisconsin.

However, both WALHDAB and WPHA are concerned about the provision in Senate Bill 301 that would limit local health officer authority. This provision would impact local government functioning, put community health at risk, and jeopardize local business privacy and individual confidentiality. In rare instances when a local health officer orders a business closure, it's essential to protect Wisconsin businesses and their customers from communicable diseases. As such, WPHA and WALHDAB respectfully request the removal of the provision limiting local health officer authority from Senate Bill 301.

Specifically, this provision would prohibit a local health officer from taking actions that exceed 14 days to protect businesses and their respective customers from communicable diseases, unless the appropriate local governing body approves one or more 14-day extensions of that action. Hindering the ability of local health officers to take action to address a communicable disease outbreak risks very serious consequences for individuals, businesses, and the community.

Moreover, restricting local health officers' ability to control the spread of a disease to 14 days is arbitrary and dangerous. Communicable diseases have specific time frames for contagiousness and incubation which may exceed 14 days. While this bill limits public health orders affecting businesses to 14 days, there are a number of diseases in which individuals could be contagious for a longer period of time, or a source of contagion – such as water or food – could take longer to be resolved. For example, it could take 30 or more days for an individual with tuberculosis to no longer be infectious. Individuals who have whooping cough might be infectious for up to 3 weeks.

This language also unnecessarily complicates existing local requirements and processes. Some local governing bodies only meet once per month, which would delay potential extensions of necessary public health orders. Also, local governing bodies, according to chapter 252.03 of state statutes, must be kept informed of communicable disease measures taken by the local health officer and already have authority over the actions and employment of the local health officer.

In addition, this bill could have unintended consequences for businesses. Each time a local governing body considers extending the decision of a local health officer to protect a particular business and its customers from communicable diseases beyond 14 days, this would be debated in a public meeting and would likely generate a considerable amount of media attention. During such a meeting, the name of the business would likely be referenced. The resulting media attention on such a business could have a considerable negative impact on their bottom line. This also potentially puts individual employee health information confidentiality at risk, especially for our small business owners who have a very small number of employees.

Chapter 252.03 of state statutes is an essential tool used to protect public health. This law has been in effect for over 40 years and while rarely used to close a business, is essential to maintaining health and safety in a community if it is needed. The original legislation passed the State Assembly on a heavily bipartisan 87 to 5 vote and was unanimously approved by the State Senate and signed into law by Republican Governor Lee Sherman Dreyfus in 1982.

Here is an example of why a 14-day restriction is misguided:

- The water supply at a retail facility tests positive for a water-borne bacterium listeria, and this water supply continues to contain listeria after 14 days (such disease outbreaks may last up to 70 days). Someone experiencing listeriosis may suddenly have a fever, nausea or diarrhea. In some cases, listeria could cause seizures, coma or death. In that scenario, if the appropriate local governing body does not vote within 14 days to extend the local health officer's actions, the management of the retail facility could turn the water supply back on, exposing all employees and customers to listeria.

We respectfully request and urge you to remove the dangerous provision weakening local health officer authority from Senate Bill 301. It is simply the right thing to do to protect the health of Wisconsinites.