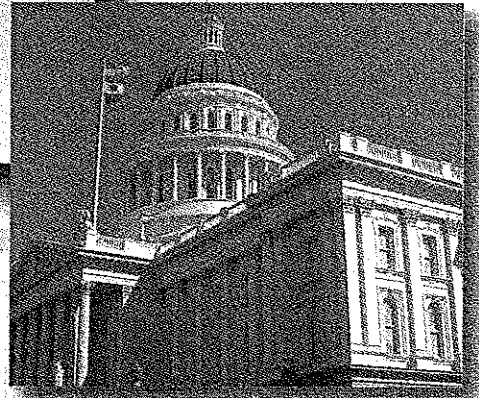




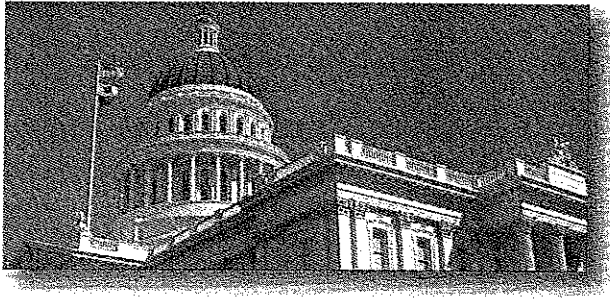
# LEAGUE of WISCONSIN MUNICIPALITIES



## *Municipal Agenda* **2009 - 2010**



**STRONG COMMUNITIES  
MAKE WISCONSIN WORK**



## ABOUT THE LEAGUE

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The League of Wisconsin Municipalities is a voluntary nonprofit and nonpartisan association of cities and villages working to improve municipal government's ability to serve the people. Established in 1898, the League provides information, training, insurance programs, legal advice and legislative advocacy for municipalities. The League's membership consists of 389 villages and 188 cities. For more information visit <[www.lwm-info.org](http://www.lwm-info.org)>.

## CORE PRINCIPLES

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**Preserve Local Control.** Wisconsin cities and villages are granted extensive home rule powers to govern themselves in local matters without state interference. The League will oppose any legislation preempting or reducing municipal authority relating to *spending and taxing decisions, annexation, land use regulation, employee relations, impact fees, tax incremental financing* or any other matters primarily local in nature.

**Preserve Local Revenue Sources.** Municipalities are the cornerstone of good government in Wisconsin and are responsible for:

- Providing infrastructure necessary for economic growth and prosperity.
- Providing public services needed to ensure a high quality of life.

The delivery of quality services depends on predictable and sufficient revenues. Wisconsin municipalities receive most of their revenue from two sources: property taxes and state aids. It is imperative that the municipal tax base be preserved and that the state help fund vital local services.

The League will oppose legislation that: (1) reduces shared revenue and other state aids to municipalities; or (2) erodes the property tax base.

## LEGISLATIVE AGENDA

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### FINANCE

**State Shared Revenues.** For over 90 years the shared revenue program has been a key component of Wisconsin's state and local relationship. During the last eight years, funding for the program has been cut and even threatened with elimination due to the state's fiscal difficulties.

- The shared revenue and expenditure restraint programs must be maintained and funding levels increased.
- The League supports the Wisconsin Alliance of Cities' Regional Economic Development Incentive (REDI) proposal, which calls for increasing funding for the shared revenue program annually by the same percentage growth that occurred in the state's authorized general fund expenditures.
- Under REDI, the additional shared revenue money would be distributed to cities, villages and towns according to the following formula:
  1. 25 percent by economic regions based on the change in each region's personal income as a percentage change in the state's personal income.
  2. 75 percent on a per capita basis to communities that levy at least 1 mill.

**Local Transportation Funding.** A safe, efficient and well-maintained transportation system is critical to Wisconsin's economic prosperity and quality of life. Local governments have jurisdiction over 90% of Wisconsin's road miles, and are responsible for operating mass transit systems.

The percentage of local transportation related costs that the state reimburses has steadily declined. When the current general transportation aid formula was established in 1988, municipalities received payments covering 24 percent of their costs. Today, general transportation aid payments equal on average about 18 percent of municipal costs. State policymakers should:

- Increase funding for GTA and the Local Road Improvement Program to a level that is sufficient to return the state's share of local costs to 1988 levels – covering 24 percent of municipal costs, as recommended by the 2007 Joint Legislative Committee on Transportation Needs and Finance.
- Increase funding of the mass transit operating assistance program to cover 42 percent of the cost of mass

transit systems, the benchmark recommended by the 2007 Joint Legislative Committee on Transportation Needs and Finance.

- Enact **Regional Transportation Authority** enabling legislation that authorizes RTAs to raise sufficient revenue to finance their capital costs and operations.

**County Reimbursement for Municipal Library Capital Costs.** Require counties to reimburse municipalities for library capital as well as operational expenditures. Under current law, when residents of unincorporated areas use a municipal library, the county must make a payment to the municipality to cover a portion of the library's operating costs. Also, under current law it is allowable for counties to reimburse library capital costs. State law should be changed to make such payments mandatory.

**Allow Municipalities to Levy a First Responders Surcharge on Telephone Customers.** Wisconsin's tax burden ranks high in part because we have chosen to make less use of fees and charges. Frozen shared revenue payments and property tax levy limits make it impossible for municipalities to continue to provide the same quality police, fire and other emergency services citizens demand. State policymakers should:

- Enact enabling legislation allowing municipalities that hire and deploy police and fire personnel as first responders to 911 emergency calls to levy a First Responders Surcharge on wireless and land-line telephone customers whose primary billing addresses are located within the municipality.

Surcharge revenues could only be used to cover the operation and coordination of police and fire department emergency response.

## PROPERTY TAX

**Eliminate Property Tax Levy Limits.** The 2007-09 state budget extended property tax levy limits on municipalities until November 2009. Levy limits have been imposed on municipalities since 2005. Levy limits violate principles of local control and are particularly unfair in the current fiscal environment. Municipalities face rapid increases in health insurance premiums, fuel and energy costs; and dramatic reductions in investment income. State policymakers should eliminate levy limits. At a minimum, the following modifications must be made:

- Allow municipalities to carry forward into the future any unused levy capacity.
- Exempt municipalities with municipal property tax rates under \$5.00 per thousand dollars of equalized value from levy limits.
- Exempt municipal expenditures made in response to emergencies such as flooding, tornadoes and other disasters from levy limits.
- Prohibit labor arbitrators from selecting union proposals that increase salary and benefit packages by more than the municipality's levy limit.

**Eliminate Certain Tax Exemptions to Reduce the Property Tax Burden on Homeowners.** Increases in property tax exemptions over the years have contributed to unfairly shifting more of the burden of paying for municipal services onto homeowners. In 1970, residential owners paid 50 percent of all property taxes in Wisconsin. Currently, homeowners pay over 72 percent of the total. We urge state policymakers to:

- **Review Existing Exemptions.** Establish a process for reviewing existing property tax exemptions and retain only those advancing important public policy goals.
- **Narrow Computer Tax Exemption.** Enact legislation reversing the Wisconsin Tax Appeals Commission's decision in the *Gundersen Clinic* case. In that case the Commission ruled that the personal property tax exemption for computers applies to a broad array of medical equipment, including ultrasound equipment; radiation oncology, and digital imaging and diagnostic equipment.
- **Reverse Walgreens Decision.** The Wisconsin Supreme Court recently held in *Walgreens v. City of Madison* that an income approach assessment of a leased retail property must be based on market lease rates, not the actual higher contracted rates. Enact legislation specifying that a property tax assessment by the income approach of leased retail property must be based on the actual contracted rental terms.

**Allow Municipalities to License Tax Exempt Housing Complexes.** In return for acquiescing to elimination of the "rent use" requirement in sec. 70.11(intro.), the League seeks:

- Enabling legislation allowing municipalities to adopt a licensing requirement for facilities providing residential housing and qualifying for a property tax exemption under Wis. Stat. sec. 70.11(4) as property owned by churches and religious, educational, and benevolent associations.
- The enabling legislation must allow municipalities to collect a licensing fee based on gross receipts.
- The enabling legislation must allow licensing fees to be determined locally, but such fees must be less than a statutorily established maximum of 5 percent of gross receipts.
- The enabling legislation should provide that any qualified facility is entitled to a local license as long as the facility complies with community standards relating to property maintenance and is not the source of chronic nuisance activities.

**Eliminate Double Taxation of Municipal Property Owners.** Taxpayers in cities and villages pay county property taxes for certain services they do not receive from the county because the city or village provides such services. Some examples of this double taxation are county sheriff patrol services, and planning and zoning administration. Legislation should be enacted exempting city and village taxpayers from paying property taxes for sheriff patrol services, county zoning and planning, and other services the county does not provide to city or village residents.

## STORM WATER

**Seek Flexible, Cost-effective Storm Water Regulations that Meet, but do not Exceed the Federal Clean Water Act Requirements.** When updating storm water rules and enforcing existing regulations, the Department of Natural Resources and state policymakers should weigh both the benefit to the environment and the local fiscal impact by taking into consideration the following:

- **Cost to Municipal Taxpayers.** The over 200 municipalities currently subject to DNR's storm water treatment standards will need to spend millions of dollars to comply. Only 59 of these communities have been able to create storm water utilities. The remainder must use property taxes to pay for the cost of these mandates.
- **Better Define Maximum Extent Practicable (MEP).** Clarify what a municipality must do to demonstrate that DNR standards are not practicable. The methodol-

ogy for determining MEP and the relationship between MEP and the numeric state goals for removing total suspended solids from storm water is unclear.

- **Provide Deadline Flexibility.** The storm water rules require communities to reduce their total suspended solids (TSS) 40 percent by 2013. The 2013 deadline does not give communities sufficient time to analyze the results of their modeling, budget the necessary best management practices (BMPs), make the necessary purchases or capital improvements; and implement the practices.
- **State Should Help Bear Municipal Cost of Complying with Modeling Changes.** When the DNR changes the model for evaluating the efficiency of BMP designs for reducing TSS, a municipality's cost of compliance increases. The state should help cover the additional unanticipated costs imposed on municipalities as a result of these changes.
- **Provide Credit for Public Education and Outreach.** Currently, DNR gives no TSS reduction credits for a community's public outreach and education efforts. Leaf collection, parking lot sweeping, road salt reductions, lawn-care chemical restrictions, information and education of the public are among the action steps that should receive credit.
- **Require Agricultural Community to do its Fair Share.** While DNR's proposed rules set extremely high standards for municipalities to meet, they impose few mandates on the agricultural community. Yet, the cost to remove sediment and phosphorous through better agricultural practices is a fraction of the cost to remove the same from urban runoff.
- **Authorize and Establish a Framework for Allowing Cost Sharing and Pollution Trading within Watersheds.**

## HEALTH INSURANCE COSTS

**Comprehensive Health Care Reform.** Escalating health insurance costs continue to create significant hardships for municipalities. We urge the Governor and state legislature to work with local governments and the private sector to develop a comprehensive plan for addressing the health care cost crisis in Wisconsin.

**Collective Bargaining on Health Insurance.** Enact legislation similar to 2007 SB 46/AB 110 allowing local govern-

ments to choose, without the need to collectively bargain, the Wisconsin Employee Trust Fund's health insurance program or a substantially similar plan for their employees.

## **EFFICIENT DELIVERY OF SERVICES**

**Make it Easier for Municipalities to Consolidate.** Enact legislation similar to **2007 AJR 39**, amending the Wisconsin constitution to create an exception to the uniformity clause that would allow a municipality to establish different tax rates in recently consolidated parts of a community. Such a change would allow local governments to address the biggest stumbling block to consolidating neighboring communities — tax rate disparity.

**Allow Creation of Public Safety Departments.** Enact legislation similar to **2005 AB 198**, allowing municipalities to combine their police and fire departments into a single protective services department.

## **STEWARDSHIP PROGRAM**

**Rescind Nature-Based Outdoor Recreation Requirement.** Under current law, municipalities may use Stewardship grants to fund nature-based outdoor recreation projects only. This has not always been the case. Prior to 2000, municipalities could use Stewardship dollars to develop soccer and baseball fields as well as playgrounds, tennis and basketball courts and other outdoor recreational facilities. State policymakers should rescind the nature based requirement and restore the ability of municipalities to use Stewardship dollars to help fund a broad spectrum of local outdoor recreation projects.

**Clarify that Ordinances Banning Hunting do not Preclude Municipalities from Receiving Stewardship Grants.** The Wisconsin Department of Natural Resources is promulgating an administrative rule interpreting a new public access for hunting policy included in the 2007-2009 state budget (Act 20) for lands acquired by municipalities with Stewardship funds. Under Act 20, access for hunting, fishing, trapping, hiking and cross country skiing cannot be restricted on lands acquired by a municipality with Stewardship funds unless the Natural Resources Board determines that the prohibition meets one of the following three conditions: 1) protect public safety; 2) protect a unique animal or plant community; or 3) accommodate usership patterns, as defined by rule by DNR.

The League opposes any attempts to undermine municipal ordinances, policies and regulations designed to protect

public safety, or to deny Stewardship grant funding to local governments that have enacted such ordinances, policies or regulations. The League supports the promulgation of DNR rules that allow municipalities to use stewardship program dollars to fund land acquisition even when hunting and trapping is prohibited, not feasible or impractical.

## **OTHER PRIORITIES**

**Economic Development Exemption for Liquor License Quota.** Enact legislation similar to **2007 SB 322/AB 584**, creating an exemption to the state imposed limit on the number of liquor licenses a municipality can issue for new full service restaurants.

**Allow NEVs on State and County Highways Within Municipalities.** Wisconsin law authorizes municipalities to allow operation of NEVs on public roadways under their jurisdiction that have a speed limit of 35 miles per hour or less. State law does not allow NEV use on state or county highways.

State policymakers should enact legislation enabling municipalities to allow the use of NEV's on state and county highways within municipalities.

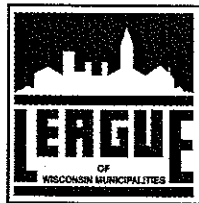
**Support Statewide Ban on Smoking in Work Places.** Enact legislation similar to **2007 SB 150/AB 834**, prohibiting smoking in all indoor places of employment, including taverns and restaurants.

**Strengthen Regulation of Fireworks.** Enact legislation similar to **2007 AB 380** which provides for more state and local oversight of the sale, possession and use of fireworks.

## **FOR MORE INFORMATION**



Contact Dan Thompson, Executive Director, <danthomp@lwm-info.org> or Curt Witynski, Assistant Director, <witynski@lwm-info.org> or call the League (608) 267-2380.



League of Wisconsin Municipalities  
122 W. Washington Ave.  
Suite 300  
Madison, WI 53703  
[www.lwm-info.org](http://www.lwm-info.org)