



COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Office of the Comptroller
Scott B. Manske, Comptroller

DATE : February 15, 2017
TO : County Executive, Chris Abele
Chairman, Theodore Lipscomb, Sr.
FROM : Scott B. Manske, Comptroller
SUBJECT : Local Levy Limit Change included in the Governor's 2017-2019 Executive Budget

Policy Issue:

The tax levy limit for Milwaukee County is controlled by State Statute 66.0602. The Office of the Comptroller has followed that policy in determining the County's tax levy limit. In general, the allowable increase in levy is limited to the growth in net new construction/terminated tax incremental financing districts ("Growth Impact") and the increase in the debt service amount.

Current State Statute does **not** require the County to reduce levy to reflect reductions of debt service authorized prior to July 1, 2005 ("Pre-2005 Debt Service") so long as the County does **not** utilize the previous year's unused allowable levy provision as described in State Statute 66.0602 (3) (f) 1.¹ For the 2018 Budget, the amount of Pre-2005 Debt Service for the County will decline by approximately \$6.9 million.

The Governor's 2017-2019 Executive Budget ("Governor's Budget") includes a change to the Local Levy Limit Statute that controls the County's tax levy limit that would **mandate** that the County reduce its levy to reflect reductions of Pre-2005 Debt Service.

¹ For the 2018 Budget, it is anticipated that the County will not have any available unused allowable levy under this provision.

The estimated impact of the change can be seen in the table below. Current law would allow for an estimated \$9.6 million in additional overall levy, while the Governor's Budget would allow for an estimated \$2.7 million in additional overall levy. The additional levy available for operating purposes under current law is estimated to be \$8.9 million, while the additional levy available for operating purposes under the Governor's Budget is estimated to be \$2.0 million.

Estimated Impact to County's Levy Limit from Governor's Budget²

Levy Limit Factor	2018 County Budget (Based on Current State Law)	2018 County Budget (Based Governor's Budget)
Change in Pre-2005 DS	\$0	(\$6,914,545)
Estimated Change in Post-2005 DS	\$7,600,000	\$7,600,000
Estimated Growth Impact (Net New Construction/Terminated TIDs)	\$2,000,000	\$2,000,000
Total Estimated YOY Change to County Levy Limit	\$9,600,000	\$2,685,455

Scott B. Manske
Comptroller

- pc: Supervisor Peggy West, Chair, Committee on Finance and Audit
Supervisor Sheldon Wasserman, Vice-Chair, Committee on Finance and Audit
Raisa Koltun, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board
Teig Whaley-Smith, Director, Department of Administrative Services
Steven Kreklow, Director, DAS-PSB
Stephen Cady, Comptroller's Office
Pamela Bryant, Comptroller's Office
Justin Rodriguez, Comptroller's Office

² The amounts for the County's Post 2005 Debt Service and levy limit change from "Growth" are estimates and the final numbers will be different. The table doesn't include impacts from items such as Countywide EMS and the Federated Library System which the County may use some of its remaining exclusions. The table also doesn't included an adjustment for prior year's levy of approximately \$640,000 that may available under Wisconsin Statute 66.0602 (3) (fm).