



COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION

Office of the Comptroller  
**Scott B. Manske, Comptroller**

DATE : September 14, 2023  
TO : David Crowley, Milwaukee County Executive  
Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors  
FROM : Scott B. Manske, Comptroller  
SUBJECT : Preliminary Tax Levy Limit Estimate for the 2024 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 preliminary limit for 2024.

In general, the allowable increase in levy is limited to the growth in net new construction/terminated (or subtracted) tax incremental financing districts (\$2,862,831 for 2024) and the estimated growth in the debt service (\$994,384 for 2024). The additional allowable levy for 2024 resulting from these two factors is \$3,857,214.

There are four other factors, which also will have an impact of increasing or decreasing the allowable property tax levy. The four factors, along with their impact on the allowable County property tax levy, are as follows: change in the levy for emergency management services (allowable increase of \$446,939), change in the levy for Southeastern Wisconsin Regional Planning Commission (allowable increase of \$2,130), adjustments in personal property aid (no change to allowable amount), and tax levy carryover provisions from prior years (no allowable amount available).

**New for 2024 Budget**, 2023 Wisconsin Act 12 (“Act 12”) authorized the County to collect an additional 0.4% sales tax beginning in 2024. The additional sales tax must be used to fund Milwaukee County’s unfunded pension liability and/or its debt service related to Pension Obligation Bonds. **Any sales tax used to finance the Pension Obligation Bond debt service will reduce the debt service that is able to be exempted from the levy limits.** The 2024 Requested Budget includes \$26,682,069 for Pension Obligation Bond debt service.

**The preliminary levy amount available is \$4,306,284 for 2024.** *Changes made throughout the budget process and the estimated 2023 bond issuances will cause this number to change.*

**2024 Budget - Allowable Levy Increase**

<b>Levy Limit Provision</b>	<b>Additional Allowable Levy</b>
A) Net New Construction and Terminated/Subtracted TIDs	\$2,862,831
B) Change in Debt Service*	\$994,384*
C) Change in EMS Levy Available to be Levied Separately*	\$446,939*
D) Personal Property Aid Adjustment	\$0
E) SEWRPC Levy Change	\$2,130
F) Carryover Provision (Requires 2/3 vote of County Board and lower general obligation debt than prior year) (No amount available)	\$0
<b>Maximum Additional Allowable Levy</b>	<b>\$4,306,284</b>

\* These amounts are preliminary and are subject to further revision throughout the budget process.

**A) Growth Due to the County’s Valuation Factor (Wis. Stat. 66.0602 (2))**

Current State Statute allows for the County to increase its levy to reflect increases in its valuation. The valuation changes are a function of the net new construction percentage change and the closeout (termination of) Tax Incremental Financing Districts (“TIDs”) within the County. The net new construction percentage for the 2024 Budget is 1.231% and the Terminated/Subtracted TID percentage is 0.165%. For the 2023 Budget, the County may increase its levy by \$2,862,831 because of these factors. For comparison purposes, last year’s net new construction percentage was 1.1138% and the terminated TID percentage was 0.139%, which made \$2,785,291 available under this provision.

**B) Debt Service (Wis. Stat. 66.0602 (3) (d) (2))**

The County has the option to increase its tax levy anytime the debt service increases. The County; however, must decrease its tax levy anytime debt service decreases. Debt service represents the principal and the interest payments on the County’s general obligation debt is supported by tax levy. Act 12 authorized the County to collect an additional 0.4% sales tax beginning in 2024. The additional sales tax must be used to fund Milwaukee County’s unfunded pension liability and/or its Pension Obligation Bonds. **Any sales tax used to finance the Pension Obligation Bonds will reduce the Debt Service that is able to be exempted from the levy limits.** The 2024 Requested Budget includes \$26,682,069 for Pension Obligation Bond debt service.

For 2024, the debt service is estimated to increase by \$994,384. Based on current amounts included in the 2024 Requested Budget, the County may increase its tax levy by a maximum amount of \$994,384 under this provision. The 2024 debt service amounts will change based on the sizing/structure of the 2023 bond issuances. The bond issuances are anticipated to occur on October 17.

**C) Items Excluded from the Levy Limit Provision (Wis. Stat. 66.0602 (3) (e))**

Under State Statute, Emergency Management Services (EMS) can be separately levied for by the County, up to EMS's tax levy requirements. The County utilized this exclusion in the 2023 Adopted Budget to increase the County's levy by \$5,175,076: the tax levy for EMS in 2023. Any increase in the EMS 2024 budgeted tax levy would become available to be levied separately, while any decrease would lower the County levy for EMS, and the County levy overall. For 2024, based on the current amount included in the Requested Budget, the tax levy contribution to EMS will increase by \$446,939 to \$5,622,015, thus increasing the tax levy exclusion provided by this provision by \$446,939.

**D) Personal Property Aid Levy Adjustment (Wis. Stat. 66.0602 (2) (b))**

The 2017-2019 state budget (2017 Wisconsin Act 59) expanded the types of personal property that are exempt from taxation. The expansion includes machinery, tools and patterns not used in manufacturing ("newly exempt personal property")<sup>1</sup>. The 2017-2019 state budget also included aid (beginning in 2019) to taxing jurisdictions equal to the property taxes that would have been levied on the newly exempt personal property. In addition to providing aid to jurisdictions, the 2017-2019 state budget also adjusted the levy limit down by the same amount as the aid payment. Therefore, in lieu of County property tax levy for personal property, the County receives a payment from the State budget.

For 2024, it is anticipated that the County will receive a State personal property aid payment of \$1,499,034, in lieu of County property tax levy. This amount is unchanged from the prior year. Since the personal property aid amount is unchanged; there is no impact to the County's allowable levy.

Act 12 eliminated the taxation of personal property beginning with the property tax assessments as of January 1, 2024. Act 12 also included aid to taxing jurisdictions equal to the property taxes that would have been levied on the personal property. This change will impact the 2025 Budget. The County's levy limit will be adjusted down by the same amount as the personal property payment.

---

<sup>1</sup> Wisconsin Statute 70.111 (27) (b)

**E) Southeastern Wisconsin Regional Planning Commission (SEWRPC) levy change**

The year over year change in tax levy for the Southeastern Wisconsin Regional Planning Commission (SEWRPC) is also used to calculate the allowable levy. The 2022 to 2023 change for SEWRPC is an increase of \$7,700 which decreases the allowable levy for other uses by \$7,700. The County must fund any increases to the SEWRPC tax levy, through a reduction of the County property tax levy.

**F) Carryforward Provision (Wis. Stat. 66.0602 (3) (fm))**

There is no additional allowable levy available under this provision for the 2024 Budget.

The County may carry forward the difference between its valuation factor in the previous year and the actual percentage increase in levy attributable to the valuation factor. Under this provision, the maximum amount of carry forward that can be claimed as an adjustment in any given year is equal to 5% of the prior year's actual levy. Claiming the carry forward requires approval by a 2/3 majority vote of the governing body, and the amount of general obligation debt outstanding in the year the carry forward is claimed must be less than the amount of general debt outstanding in the prior year. The amount of the potentially available carry forward adjustment is determined by totaling the amount of any *unclaimed* carry forward percentages from each of the preceding five years levy limit worksheets.

The 2020 Budget utilized this provision to increase the levy limit by \$2,946,235. The \$2,946,235 represented the entire amount of allowable levy available under the carryforward provision.



---

Scott B. Manske  
Comptroller

pc: Supervisor Liz Sumner, Chairwoman, Committee on Finance  
Mary Jo Meyers, Chief of Staff, County Executive's Office  
Kelly Bablitch, Chief of Staff, County Board  
Joe Lamers, Director, DAS-PSB  
Dan Laurila, DAS-PSB  
Vince Masterson, DAS-PSB  
Amy McKinney, DAS-PSB  
Stephen Cady, Comptroller's Office  
Pamela Bryant, Comptroller's Office  
Justin Rodriguez, Comptroller's Office