

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

A resolution by Supervisors Lipscomb, Sr., and Schmitt, supporting the State of Wisconsin legislation, 2019 Assembly Bill 521 and its companion, 2019 Senate Bill 471, enabling Milwaukee County to impose an additional one percent sales and use tax to provide local government revenue for capital and operating expenses while achieving property tax relief, subject to the approval of County electors in a binding referendum, by recommending adoption of the following:

A RESOLUTION

WHEREAS, Milwaukee County (the County) has immense fiscal challenges including:

- An accumulated deferred maintenance backlog of more than \$400 million, of which \$200 million is solely in the parks system
- Looming costly capital needs including:
 - Construction of a new criminal courthouse to replace the aged Safety Building
 - Replacing the obsolete Medical Examiner’s Office
 - Continual replacement of buses upon the end of their useful lives
 - Maintaining the safe structure and utility of bridges and roads
 - A new building for the Milwaukee Public Museum
 - Repairing and revitalizing the Mitchell Park Horticultural Conservatory (The Domes)

; and

WHEREAS, since 2012, the County has cut on average \$30 million per year from its budget, a cumulative \$278 million, yet in File No. 19-741, the Milwaukee County Comptroller (the Comptroller) determined in his mandated Five-Year Financial Forecast, “annual average inflationary cost increases...will not be offset by projected revenue increases...Milwaukee County cannot pay for projected cost increases specific to Milwaukee County.”, and projected costs to continue increasing on average \$15 million, and the cumulative 2019 to 2024 structural deficit as approximately \$80 million; and

WHEREAS, State of Wisconsin (the State) law strictly limits the authority of county governments to raise revenues from existing tools of taxation, such as property taxes, and allowable growth in property tax revenue, which is insufficient to meet the increasing costs to continue at current, albeit reduced levels; and

42 WHEREAS, in consideration of its Fiscal Year 2020 Budget, the County must
43 again consider additional cuts to programs and services vital to our community in areas
44 such as transit, public safety, parks, and human services in order to keep up with
45 increasing costs to continue at current programming levels and declining revenue; and
46

47 WHEREAS, the State’s allocation of shared revenue to local government has
48 declined or remained stagnant, local governments in the State are the most reliant on
49 the property tax, and in a February 2019 paper, “Dollars and Sense: Is it time for a new
50 municipal financing framework in Wisconsin?”, the Wisconsin Policy Forum wrote:
51

52 “Wisconsin voters and their leaders will need time to decide whether and how to
53 approve an alternative revenue framework for cities and villages. Still, the urgency
54 of doing so is real. Signs of stress are appearing...”
55

56 ; and
57

58 WHEREAS, annual tax receipts collected by the State from the County have
59 risen by more than \$400 million since 2009, while net State shared revenue to the
60 County has declined or remained stagnant; and
61

62 WHEREAS, recognizing the present trend as unsustainable for the services
63 County residents expect and deserve, the Milwaukee County Board of Supervisors
64 (County Board) and the Milwaukee County Executive (County Executive) unanimously
65 called for the creation of the “Fair Deal for Milwaukee County Work Group” (Work
66 Group), which the County Executive signed immediately, demonstrating the magnitude
67 of the County’s fiscal situation (File No. 18-751); and
68

69 WHEREAS, the Work Group, comprised of 17 community leaders representing
70 area governmental, business, and civic interests, studied the degree of the structural
71 deficit facing local governments in the State, particularly in the County (File No. 18-944);
72 and
73

74 WHEREAS, the Work Group unanimously adopted a resolution, which the
75 County Board unanimously adopted, including the ability to seek a binding referendum
76 on a local option revenue source (File No. 19-161); and
77

78 WHEREAS, State legislation, 2019 Assembly Bill 521 and its companion, 2019
79 Senate Bill 471, would allow the County to seek the consent of County electors in a
80 binding referendum for permission to impose an additional sales and use tax at the rate
81 of one percent, a portion of which would benefit property tax relief and afford an
82 additional source of income for local governments; and
83

84 WHEREAS, the proposal has no fiscal impact on the State as it does not
85 increase the number of State dollars appropriated to the County, and encourages local,
86 intergovernmental cooperation; and

87 WHEREAS, the local business community as represented by the Greater
88 Milwaukee Committee and the Metropolitan Milwaukee Association of Commerce,
89 support giving the County the capacity to invest in the future to create jobs and attract
90 and retain talent; and

91
92 WHEREAS, the Committee on Intergovernmental Relations, at its meeting of
93 October 23, 2019, recommended adoption of File No. 19-831 (vote 3-0); now, therefore,
94

95 BE IT RESOLVED, Milwaukee County (the County) hereby supports 2019
96 Assembly Bill 521 and 2019 Senate Bill 271, or similar State of Wisconsin (the State)
97 legislation, which would provide County government the authority to seek the consent of
98 electors for a binding referendum to impose an additional sales and use tax; and
99

100 BE IT FURTHER RESOLVED, the Office of Government Affairs staff is
101 authorized and requested to communicate the contents of this resolution to State
102 policymakers, and support legislation that achieves the criteria outlined in this
103 resolution.

104

105

106

kae

107

10/23/19

108

s:\committees\2019\oct\igr 102419\resolutions\19-831 1% sales and use tax increase.docx