

TO: The Hon. Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors
The Hon. Sequanna Taylor, Chairwoman, Intergovernmental Relations Committee
The Hon. Members, Intergovernmental Relations Committee

FROM: Nicole Stickler, Government Affairs Liaison

DATE: March 10, 2020

RE: Legislative Update

I. 2019-2020 Legislative Session

The 2019-2020 biennium legislative session is beginning to wind down. The Assembly completed its final scheduled floor period last month and the Senate expects to conclude its work on the floor this month. The duration of the calendar year will be an opportunity for state lawmakers and policy staff to work on public policy issues that they wish to address in the upcoming biennium and the next state budget.

With divided government in the form of an Executive Branch occupied by a Democrat and the Legislative Branch governed by the Republican majority, this biennium saw significantly fewer bills enacted. Despite the areas of policy disagreement, to date the State of Wisconsin has enacted 186 measures as Acts. This is reflective of approximately 50% of what was enacted during the past biennium although the session remains open for legislative action.

As the legislative session adjourns, I will prepare a summary of the enacted measures that impact Milwaukee County government and the institution of county government in general for the Board's reference.

II. Updates on Legislation Impacting Milwaukee County

During this legislative biennium, outside of the state budget legislation, other pieces of legislation have a direct impact on Milwaukee County. This section summarizes a few of the bills that have been of interest to the Board that have seen significant action in the biennium:

- *2019 Wisconsin Act 42 Related to Biennial Budgets for Political Subdivisions* – allows a County Board of Supervisors to vote to enact a biennial budget in an odd-numbered year for the next two fiscal years that follow the enactment of the budget. This legislation was enacted to reflect that the decision to enact a biennial budget is the Board's and can be enacted or rescinded by future Board's, as well.
- *2019 Wisconsin Act 28 Related to the Imposition of Sales and Use Taxes Related to Local Professional Baseball Park District* – enacts the termination of the five-county \$0.01 sales tax funding the professional baseball park at the end of this month. In fact, the Stadium Board is expected to act on this issue to certify the end of the sales tax today at

its meeting scheduled for 3:00 p.m. at the Stadium. Excess funds remaining in the account will be used to satisfy existing obligations and any refunds of excess sales and use tax collections will be paid from the fund. Following the refund period, the remaining balance of the account will be distributed among the five counties wherein the tax was collected. Counties may use the funds only for property tax relief, public safety, parks and recreation or economic development. These funds are expected to be made available in four years.

- *AB521 & SB471 Related to an Additional Sales and Use Tax for Milwaukee County*- This legislation was sponsored by seventeen lawmakers in both chambers in reaction to the work Milwaukee County has done within it's Fair Deal Workgroup and the ensuing Recommendations enacted by the Board of Supervisors and County Executive. Among those recommendations was a suggestion that Milwaukee County should seek legislation that would authorize a binding referendum for a local option source of revenue that reduces our reliance upon property tax. Led by Representative Evan Goyke and Senator LaTonya Johnson, AB521 & SB471 creates the enabling legislation to seek a binding referendum on a new 1% sales tax.

Additionally, the legislation specifies that the revenue garnered from such a tax, if approved by voters of the County at a spring or fall general election, would be required to be used in the following way:

1. 25% would be paid to property tax owners in the form of a credit against the county and municipal tax burdens.
2. 7% would be dedicated for use to fund collaborative public health infrastructure projects (*Note: to prioritize projects that the County and its municipalities would work together to address important health issues related to public health – like lead remediation and well water quality issues, for example*)
3. 68% would be divided among Milwaukee County and its 19 municipalities. The legislation calls for 34% of the revenue to go to the County and the remaining 34% to be divided among the municipalities based upon their population.

The legislation was heard by the Assembly Ways & Means Committee in a Public Hearing on March 5, 2020. The committee participated in robust discussion and verbally concluded that there remains much opportunity to improve the way that county and municipal governments are funded, especially in light of reduced shared revenue payments and Wisconsin's comparatively high reliance on property tax to fund local governments. Lawmakers, led by the Committee Chair John Macco and the bills' sponsors, will continue to work on this issue over the interim.