

# 2023-2024 Legislative Update

**Jerry Deschane, Executive Director  
League of Wisconsin Municipalities**



# League Priorities (Reminder)

- Reforming how Local Governments are Funded
- Housing
- Municipal PFAS Program
- Transportation aid



# Reforming How Local Government is Funded



WHY do we need it and HOW did we raise funding to a priority?

- The funding level for County and Municipal Aid in 2003 was \$938 million. Today, it is \$753 million.
- Resulting in an overreliance on Property Taxes

# Reforming How Local Government is Funded

Wisconsin Act 12 dedicates **one full penny of the state sales tax**: more than \$1.5 billion annually, to local government.

## **MORE:**

- An increase of nearly \$275 million in county and municipal aid (38%).
- \$300 million in one-time grants for service consolidation.
- All Communities minimum 20% increase
- Increases in police training and EMS funding.
- Expenditure Restraint Program (ERP) “penalty” for police, fire and EMS grants removed.

**SUSTAINABLE:** Tied to the economy via the sales tax.

**GROWING:** Future county and municipal aid increases based on estimated increases in sales tax revenue.

# Reforming How Local Government is Funded

- Supplemental payments begin July 1 2024
- Distributed July and November like current Shared Revenue
- Beginning July 1, 2025, **BOTH** old shared revenue and the supplemental bump from 2024 are indexed to the state sales tax.
- Supplemental funds may be utilized for: law enforcement, fire protection, emergency medical services, emergency response communication, public works, courts, and transportation.

# Reforming How Local Government is Funded

- Complete repeal of **Personal Property Tax**, with state backfilling lost revenue
- **Expenditure Restraint Program** continues with the following revisions:
  - grants for public safety received from the state or federal government, or innovation fund grants do not count as part of municipal budget.
  - Milwaukee sales tax revenue does not count as part of the municipal budget.
  - ERP payments in 2025 same as 2024; base adjusted in 2026 to include shared revenue supplemental.

# Reforming How Local Government is Funded

- INCREASED Emergency Medical Services Aids –  
(current annual \$2.2 GPR increased to \$15 million annually)
  - INCREASED Law Enforcement Training Aids –  
(current annual \$2 million GPR/\$4.4 SEG, increased \$8.725 million annually)



# Funding Reform - Innovation Fund

- **\$300 Million** - Apply to DOR with an Innovation Plan - with a county, another muni, nonprofit, or private entity.
- **Public safety, fire, EMS (prioritized)**, courts, jails, training, communications, IT, administration (staffing, payroll, HR), public works, economic development, tourism, public health, housing, planning, zoning, parks and recreation.





# Funding Reform- Milwaukee

- Allows City to establish by 2/3 vote of all members elect of the Common Council a 2% local sales tax
- Allows County to establish by 2/3 vote of all members elect of the County Board a 0.4% sales tax
- Sales tax expires when existing pension system liability is fully-funded or after 30 years
- City must use any annual sales tax revenue above what is needed to fund pension obligations to increase or maintain police and fire staffing until a state-dictated staffing level is reached.
- Requires new city and county employees to participate in Wisconsin Retirement System

# Funding Reform- TIDs

- Beginning with new TIDs created in 2025 and beyond, **limits the percentage of new construction value** that occurs within a TID that may be applied in determining a municipality's allowable levy increase.
- Currently, a municipality may apply 100% of “net new construction” to determine the increase. Under the bill as amended, a municipality would be able to apply 90% of new construction (not “net new”) that occurs within the TID.

# Funding Reform - TIDs

- **Limit on levy increase at TID closure**—Beginning with new TIDs created in 2025 and beyond, the bill allows a municipality a one-time levy adjustment equal to 10% of the newly-created value within the TID; the adjustment may be increased to 25% (an additional 15%) if the TID closes prior to 75% of its anticipated life.
- Current law allows a one-time levy adjustment equal to 50% of the newly-created value within the TID and there is no incentive for early closure.
- For a tax incremental district created after December 31, 2024, at the time of approval the joint review board shall establish the year of expected termination of the tax incremental district.

# \$525 Million for Housing

- Wisconsin has a housing shortage.
- Everywhere
- Lack of worker-affordable housing hurting growth
- Rental market short 120,000 units+
- Workforce shortage 130,000 by 2030



# \$525 Million for Housing



- Wisconsin Acts 14, 15, 16, 17, 18
- Low/no-interest loans for communities that modify zoning/approval for workforce/senior housing.
- Expand mixed use options in communities.

# \$525 Million for Housing

- [Act 14](#) provides zero-interest loans for residential development infrastructure (roads, utilities, etc.)
- [Act 15](#) provides zero-interest loans for upper-floor main street housing rehabilitation.
- [Act 16](#) is the Truth-in-Zoning bill; requires municipalities to permit housing allowed under existing zoning regulations; limits third-party lawsuits against development.
- [Act 17](#) provides low-interest loans for workforce housing rehabilitation.
- [Act 18](#) provides zero-percent loans for conversion of non-residential housing to workforce housing.



# PFAS Cleanup

## Basics about PFAS:

- It's (nearly) everywhere - PFAS is an emerging contaminant that is found in an immense amount of common consumer goods.
- It's not good for you
- Someone has to clean it up –
- Without state help, water/wastewater ratepayers/property taxpayers will pay the bill.



# \$125 Million for PFAS Cleanup

- Goal: PFAS grant or revolving loan fund for municipal drinking water/wastewater/soil remediation and testing
- \$125 Million set aside for Municipal Grant Program
- Now we need to get consensus on the rules
- The clock is ticking...



# More for Local Transportation

**General Transportation Aids** - 2%↑ each calendar year – \$31.4 million SEG.

**Connecting Highway Aid** - ↑ of \$2.48 and \$4.97 million to fund a 25% increase annually for municipalities

**LRIP Local Road Improvement Program:** one-time SEG funding of \$100 million for LRIP supplemental. ↑ LRIP formula and discretionary components \$4.0 million SEG, representing a 4% yearly increase.

**ARIP - Local Road Improvement Program – Agricultural Roads:** \$150 million SEG in FY 24.



# More for Local Transportation

**Transit** was moved out of transportation to the general fund but did receive a 2% ↑

**State Highway Rehab Program** - ↑ each of the two years of the biennium of \$5.4 million and \$25.9 million plus additional FED increases

**State Highway Management and Operations** - ↑ to the base of \$1.6 million annually ongoing.

**State Highway Routine Maintenance** - ↑ of \$1.7 million and \$3.9 million, the \$3.9 is ongoing

**EV Sales Tax Transfer** to transportation fund which would ↑ revenue by \$1.1 million and \$2.1 million

**Local Bridge Improvement Program** - funding of \$10 million and \$8.75 million which is consistent with the last two budgets



# The End is Near

- Legislative Session ends soon
- 2,118 bills - 93 Acts = 2,025 reasons for frustration
- League lobbying on about 140 bills; watching 40 more
- We're in the neck of the funnel
- They call it “silly season”



# Unfinished business

- SB 99/AB 100 (Infiltration/Outflow)  
Makes those projects eligible for CWF Programming  
Passed the Assembly this Tuesday  
On its way to the Governor's desk



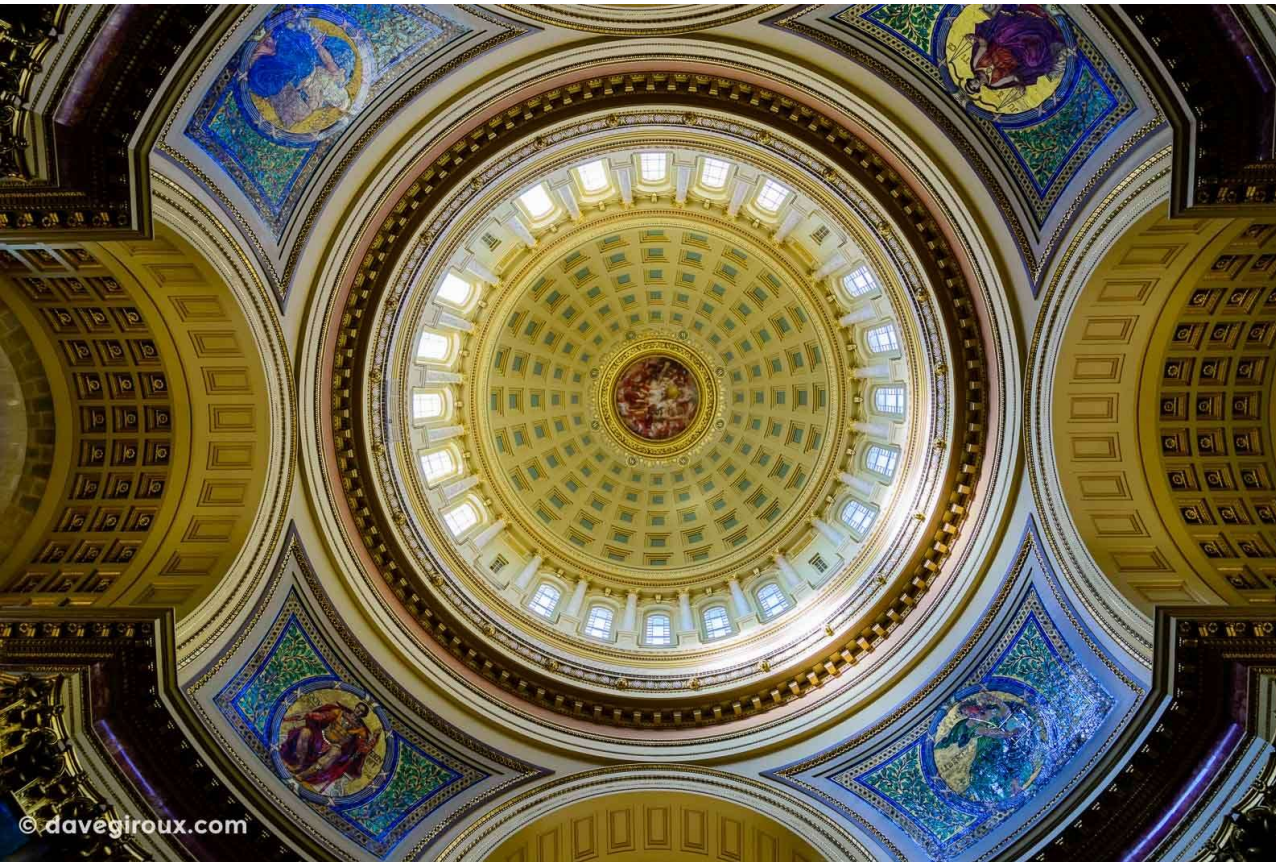
# Unfinished business

- PFAS
- Productive re-use of “historic lakebed” property
- Remove hangup for EV charging (SB 791/792)
- Urban Towns (SB 691)
- PSC Review of Stormwater Rates (SB 455/AB 457)
- Ban on chicken bans (SB 912)...I am not kidding





# Questions and Comments



**Toni Herkert**  
**Government Affairs Director**  
[therkert@lwm-info.org](mailto:therkert@lwm-info.org)

**LEAGUE**   
OF WISCONSIN  
MUNICIPALITIES