



Voters Tend to Approve Tax Increases for Public Safety

But Is This System Sustainable?

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In the most recent spring election, eight cities and villages asked the voters for permission to exceed state-imposed levy limits and in seven of those communities the voters gave their approval. Six of the eight referendums were for the purpose of spending more on public safety. As the table (on page 24) shows in more detail, five of the six public safety referendums were approved. The other two referendums that passed were conducted by small villages with populations of 258 and 68 respectively and were for continuing general village operations. The only public safety referendum the voters rejected was in Algoma, which was for the construction and operation of a new public safety building.

This compares to the spring 2021 election when 10 cities and villages conducted referendums and six were approved. Of those approved, three were for public safety purposes. For example, City of Fond du Lac voters approved a 4.69% levy increase from the prior year equaling \$1.3 million in additional taxes to fund six full-time firefighter/paramedics and six full-time police officers. Two of the four municipal referendums that failed in 2021 were also for public safety purposes.

In November 2020, 13 levy limit referendums were conducted. Only six of the 13 referendums were approved. Five of the six approved referendums were for public safety related purposes. The sixth was for improving public safety response times but also for road improvements and technology needs.

While not all public safety referendums are approved, when voters are given the opportunity to increase property taxes on themselves to pay for public safety expenditures, they more often than not approve the increase.

The question is whether deepening our overreliance on property taxes to pay for police, fire, and EMS services is sustainable. I don't think it is. Most property taxpayers across the state have reached their capacity to pay more taxes for local services. The overwhelming majority of the 600 municipalities

in Wisconsin have not and will not go to a referendum to increase property taxes beyond their allowable levy increase based on net new construction. Between 2006, when levy limits were first imposed, and 2018, only 106 levy limit referendums were conducted by over 1,800 cities, villages, towns, and counties. Only 38 of the 106 passed.¹

At the same time, hundreds of Wisconsin communities cut police spending in 2018 and 2019, rather than seek more property tax revenue to maintain service levels.²

Wisconsin is unusual in that the state does not directly subsidize local law enforcement, firefighting, or EMS service costs. While the shared revenue and expenditure restraint programs help somewhat, neither focuses exclusively on public safety. More importantly, funding for both programs has been stagnant (ERP) or reduced (shared revenue) over the last couple of decades.

Since the early 2000s the property tax has become an increasingly larger share of municipal revenue as state aid has decreased. Indeed, since 2011 shared revenue has decreased by 9% while local spending on police, fire, and EMS has increased by 16.7%.³

As the figure (on page 24) shows, since the early 1990s, while state income tax collections have more than tripled, appropriations for the shared revenue program has declined.

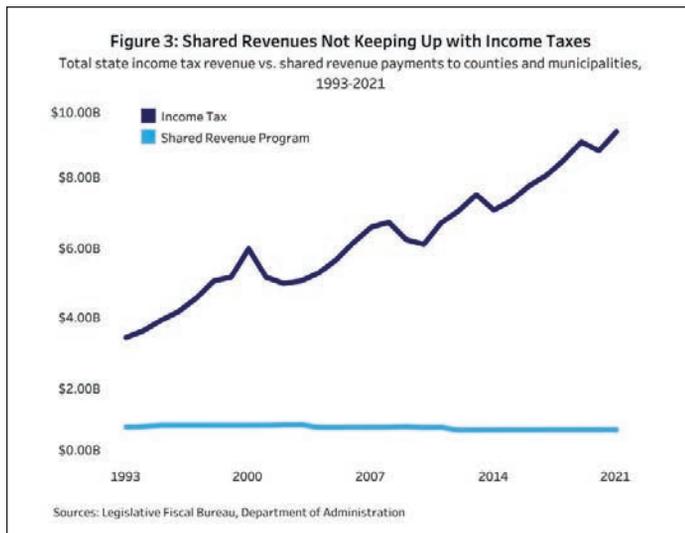
If inflation is considered, the disparity becomes more striking. In fact, if the 1990 shared revenue expenditure of \$835.6 million had grown at the pace of the Consumer Price Index (CPI), then it would have totaled \$1.73 billion in 2021, or more than double the estimated expenditure of \$829.6 million.

This data shows that we need to change how municipalities in Wisconsin pay for public safety services. The property tax alone cannot continue to cover the rising cost of these critical

1. *Pushing the Limits: Factors Contributing to Success of Municipal Levy Referenda*, by Morris, Parr, Rohrer, Souders, and Zell, Robert M. La Follette School of Public Affairs, May, 2020.

2. *Some cuts to police predate calls for defunding*, Focus #15, August 2021, Wisconsin Policy Forum.

3. January 14, 2022, memo from Legislative Fiscal Bureau to Rep. Evan Goyke on shared revenue payments and local government public safety expenditures.



Could Surplus Help Improve State-Local Relations? Focus #3, February 2022, Wisconsin Policy Forum

services. Other revenue options, like a local sales tax, are necessary. Plus, municipalities need greater commitment by the state to help shoulder the cost of police, fire, and EMS services.

As League Executive Director Jerry Deschane recently stated in a media release:

“Our current system of funding local governments needs serious repair. Wisconsin is the only state in the country that funds local police and fire/EMS services solely by property taxes. We cannot rely exclusively on property taxes to fund critical public safety services that enable our society to function. We must find a new way for local governments to be properly funded in the state of Wisconsin. To those who would say ‘the system works’ because local governments are able to go to a referendum to raise property taxes, we would point out that is a poor solution. No other state places such an overwhelming majority of the local government and school funding burden onto the property tax. Both the challenge (increasing first responder calls) and the solution (raising property taxes) will become even more problematic as Wisconsin’s population ages. There will be even more demand for critical lifesaving services in the same communities that are least able to absorb property tax increases. It’s time for a better alternative.”

2022 Spring Election Municipal Levy Limit Referendums

Name of City	Percent Levy Increase and Amount	Purpose	Approved/Rejected
Village of Butler	6.9%, (\$140,000)	An additional police officer	Approved
City of Fort Atkinson	9.77% (\$769,335)	6 FTE firefighter advanced EMT, 6 FTE firefighter paramedics, 2 police officers	Approved
Village of Pleasant Prairie	10.94% (\$1,600,000)	Additional police officers and fire and rescue personnel	Approved
Village of Melvina	177.15% (\$50,000)	General operating expenses and capital costs	Approved
City of Algoma	18.89% (\$250,018)	Construction and operation of new public safety building	Rejected
City of Seymour	16.68% (\$229,000)	Fire & rescue services	Approved
Village of Browntown	43.38% (\$30,000)	Equipment replacement, road repair, maintaining or expanding public services	Approved
City of Washburn	18.24% (\$200,000)	Maintaining public safety services, 2 EMTs, increase police wages	Approved