

The State Budget and Remainder of Legislative Session

League Of Wisconsin Municipalities

October 2019



The logo for the League of Wisconsin Municipalities features the text "LEAGUE OF WISCONSIN MUNICIPALITIES" in a serif font, with a stylized graphic of buildings and a yellow swoosh to the right.

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Split Party Control of Capitol – Dominant Theme



A photograph of the Wisconsin State Capitol dome, showing a prominent vertical crack running down its center. The sky in the background is a mix of dark and light colors.

Political stalemate has resulted in:

- Few floor days
- Litigation over actions taken
- Few bills being enacted. (20 so far)

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The State Budget



Shockingly, budget enacted on time.

Except for transportation funding,
status quo budget for municipalities.

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Items in State Budget Affecting Municipalities



Shared Revenue, Expenditure Restraint,
Payments for Municipal Services, and
Recycling Programs – funded at same
levels.

Levy Limits -- Unaltered

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Local Transportation Aid

General Transportation Aids – 10% increase (\$35 million). *Second such increase in a row.*

Extra GTA for Certain Towns – \$2.5 million annually.

Mass Transit Operating Assistance – 2% increase

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Local Transportation Aid

New, One-Time, Local Government Transportation Competitive Grant Program -- \$75 million.

“Multimodal Local Supplemental Program”

December application deadline.

Cities and villages – 25% (\$18.5 million)

Counties – 36% (\$26 million)

Towns – 39% (\$28.8 million)

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Cable Franchise Fee Reduction



Budget reduces local cable franchise fees .5 percent each of next two years for a total of 1% effective 1/1/21.

The budget created a state aid program to compensate municipalities for lost franchise fee revenue.

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Items removed from state budget.



--Preemption of municipal powers to regulate quarries.

--Dark store and Walgreens.

--Restoration of ability to use eminent domain for bike paths.

--20% cap on TIF developer cash grants.

--Restoration of prevailing wage.

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State Budget Biggest Disappointments



--Legislature's rejection of Gov. Evers' shared revenue increase and levy limit changes.

--League budget amendment stripped by GOP leadership removing stormwater management from list of covered services for which new fee requires levy limit reduction.

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Other new Legislation of note



- **Act 10**, penalizing Airbnb and other lodging marketplace providers that fail to collect room taxes and forward to municipalities.
- Related news: Airbnb recently registered with the state DOR as a licensed lodging marketplace. Now, required to collect room taxes and forward to municipality.

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Other new Legislation of note



- **Act 19**, Requiring municipalities that pay health insurance for police officers, police chief, and EMS practitioners to continue paying premiums for the surviving spouse and dependent children if police officer, police chief or EMS practitioner dies in line of duty.
- State required to reimburse municipalities.
- Reimbursement paid out of shared revenue program.

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Other bills we are working on



- AB 285, Increasing competitive bidding threshold from \$25,000 to \$50,000. *advancing*
- AB 146/SB 130, Dark Store and Walgreens. *stalled*
- AB 288/SB 257, Personal Property Tax Repeal. *dead*

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Other bills we are working on



- AB 203/SB 193, Allowing communities the option of using an electronic voting machine to cast an in-person absentee ballot. *advancing*
- SB 291, Scheduling referendums to exceed levy limits earlier in the year. *advancing*
- AB 283, Requiring a referendum to enact a local vehicle registration fee. *dead*

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Other Bills we are working On



- SB 108/AB 89, Cleaning up state law governing process for filling vacancies in city and village elective offices. *Advancing*
- AB 490, Repeals requirement that when a local government transfers responsibility for providing a service it must reduce its levy limit by amount of savings form transfer.
- SB 203, Authorizing municipalities to allow clerks or other officials/staff to issue operator's licenses. *advancing*

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Other bills we are working on



- SB 105/AB90, Exempting local governments from Fair Dealership Act. *stalled in Assembly*
- AB 256/SB 234, Applying cap on relocation payments made in eminent domain actions to RDAs, CDAs, and Counties. *treading water*
- AB 235, Levy limit exception for communities receiving reduced utility aid payments when a power plant closes. *advancing*

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Other bills we are working on



- SB 146/AB 141, clarifies property tax payments mailed to proper official are considered received on time if *postmarked on or before due date*, regardless of when received.
- Also clarifies if due date is a Saturday or Sunday, the five-day “grace” period ends on the following Friday. *On Governor’s desk*

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Other bills we are working on



- SB 71 – Providing state aid payments to counties and municipalities for certain special election costs.
- AB 469 – Creates a \$100 state income tax credit for volunteer fire fighters and EMTs.
- LRB 4540, Clarifying that personal property aid payments made to a TIF District transfer to other taxing jurisdictions after the district Closes

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Other Issues we are working on -- PFAS



- Regulation of PFAS compounds is quickly moving forward in Wisconsin at both the legislative, gubernatorial, and administrative rule levels.

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PFAS -- What is it?



- PFAS is a group of man-made chemicals that repel both water and oil. PFAS have been manufactured and used in a variety of industries around the globe, including in the United States since the 1940s. PFAS is a substance frequently found in firefighting foam, fast-food wrappers, non-stick cookware, and water-proof clothing.

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PFAS – Why regulate?



- PFAS is very persistent in the environment and in the human body – meaning they don't break down and they can accumulate over time. There is evidence that exposure to PFAS can lead to adverse human health effects.
- Recently found in ground water and drinking water in Madison, La Crosse, Rhinelander, Marinette. Source often is firefighting foam.

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State Actions on PFAS



- In June, WI DHS announced a recommended PFAS health standard for groundwater of 20 parts per trillion. EPA is at 70 parts per billion.
- In July, DNR sent letters to 125 Wastewater treatment plants asking them to voluntarily test effluent and influent for PFAS.
- In August, Governor Evers issued Executive Order 40 on PFAS.
- In September, DNR published scope statements for rules establishing numeric PFAS standards for groundwater, standing water, and drinking water.

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Pending PFAS Legislation



- AB 323/SB 310 – Regulating use of firefighting foam containing PFAS. *League supports*
- AB 321/SB 302 -- Requires DNR to establish, by rule, acceptable levels and standards, monitoring requirements, and required response actions for any PFAS in drinking water, groundwater, surface water, air, solid waste, beds of navigable waters, and soil and sediment. *League opposes.*

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Municipal Water Coalition



- The League has helped create the Municipal Water Coalition consisting of groups representing municipal water and wastewater utilities.
- Coalition's goals are to advocate collaboratively for science-based PFAS standards, educate the public about PFAS, and communicate our concerns to DNR, the Legislature, and the Governor's office about the potential high cost to municipal utilities of complying with the proposed PFAS ground water standards.

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Municipal Water Coalition Weighs In



- Last week, Coalition announced an initiative to address PFAS discharges that could find their way in municipal wastewater treatment plants.
- Recommending wastewater treatment plants not test for PFAS as requested by DNR.
- Instead, encouraging wastewater treatment facilities to identify manufacturers, paper mills, airports and other entities where PFAS may be used or discharged and develop a plan to reduce PFAS discharges.

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Questions and Comments



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