

Local Government Funding Legislation (AB 245)
PLEASE NOTE: THE FOLLOWING IS SUBJECT TO REVISION
Updated 2:40 p.m. May 3, 2023

This bill dedicates a penny of the state sales tax; more than \$1.5 billion annually, to local government.

MORE:

- An increase of \$227 million in county and municipal aid
- \$300 million in one-time grants for service consolidation
- Increases in police training and EMS funding
- More flexibility within the Expenditure Restraint Program.

SUSTAINABLE:

- Tied to the economy via the sales tax.

GROWING:

- Future county and municipal aid increases based on estimated increases in sales tax revenue.

Details

- Beginning July 1, 2024, a full penny of sales tax into a segregated local government fund.
- Beginning July 1, 2024, County and municipal aid increase of \$227 million.
 - New funds may be utilized for: law enforcement, fire protection, emergency medical services, emergency response communication, public works, and transportation.
- All communities will see at least a 10% increase over current municipal aid.
- Additional aid distributed based on a formula designed to compress per capita differences between governments. Future increases will be a % of existing and supplemental aids.
- Removal of Levy Limit reduction and increase for transfer of services in 66.0602 (3) (a)
- Complete repeal of personal property tax, with state backfilling lost revenue
- ERP no longer considers:
 - grants for public safety received from the state or federal government
 - expenses related to joint fire department or a joint emergency medical services district, and
 - payments related to the innovation fund and innovation planning grants.

\$300 million incentive for consolidations that save money

- Innovation Fund grants available for 3 years to encourage combining local services, including public safety, fire, EMS, courts, jails, training, communications, IT, administration (staffing, payroll, HR), public works, economic development, tourism, public health, housing, planning, zoning, parks and recreation.
 - For 3 years, grant amount is equal to 25% of the costs of the greater of:
 - Entity with the highest cost prior to consolidation or
 - Cumulative costs of providing the service excluding the costs paid by the highest cost community.
 - Innovation Fund includes a mechanism for placing a value on the work of volunteers.
- Cost savings of 10% must be realized – 50% (of the 10%) after 24 months and full cost savings realized at the end of 36 months.
- Consolidation planning grants for communities under 5,000 - \$3 million and no one project plan can receive more than \$100,000.

Local Government Fund includes the following programs (with amounts):

- Current County and Municipal Aid – \$753 million
- NEW Supplemental County and Municipal Aid - \$227 million
- Current Personal Property Tax (PPT) backfill - \$75.6 million
- NEW Remaining PPT backfill - \$173.8 million
- ERP (Name changed to Expenditure Restraint Incentive Program) - \$59.3 million
- NEW Innovation Planning Grants - \$3 million
- Payment for Municipal Services – \$18.6 million
- Computer Aid - \$98 million
- INCREASED Emergency Medical Services Aids – (current annual \$2.2 million GPR increased to \$15 million)
- INCREASED Law Enforcement Training Aids – (current annual \$2 million GPR/\$4.4 SEG, increased \$8.725 million LGF)
- Video Service Provider fee - \$10 million
- Technical transfer to transportation fund related to PPT Repeal - \$8 million

Maintenance of Effort:

- Annual certification of law enforcement and Fire/EMS effort to DOR
- Certify two of four items annually – not required to be the same two each year:
For Police:
 - Expenditures for law enforcement services
 - Number of full-time equivalent officers
 - Citations for moving traffic violations under chs. 341-349 or local ordinances
 - Number of arrests made.For Fire Protective and Emergency Medical Services
 - Expenditures for fire protective services and EMS
 - Number of full-time equivalent fire fighters and EMS personnel employed.
 - Level of training of and maintenance of licensure for fire fighters and EMS personnel
 - Response times for fire and EMS adjusted for call location.
- Municipalities under 20,000 population not required to certify police maintenance of effort.
- Penalty is 15% of shared revenue if a political subdivision cannot certify in two of four areas for police and fire/EMS.
- A local government can miss certification one year and recertify to the preceding year the year after loss of shared revenue and if DOR approves recertification full shared revenue is restored.

Milwaukee-specific provisions:

- Allows Milwaukee to establish by ordinance and referendum a 2% local sales tax
- Allows Milwaukee County to establish by ordinance and referendum a 0.37% sales tax
- Sales tax expires when existing pension system liability is fully-funded or after 30 years
- City must use 10% of sales tax revenue to increase police and fire staffing until a state-dictated staffing level is reached.
- Requires new city and county employees to participate in Wisconsin Retirement System
- Places a strict police and fire maintenance of effort standard on the city.
- Any increase in staffing requires two-thirds majority approval of the city council.
- Powers currently vested in the Fire and Police Commission are redirected to the Police and Fire Chiefs, with oversight authority given to the Common Council.
- Neither property taxes nor sales taxes may fund the city’s light rail system (“The Hop”).

EMS provisions:

The bill makes several revisions to EMS licensing regulations that have the general effect of reducing regulatory burdens/costs for EMS services. In addition, local governments would not be able to prohibit police, fire or EMS employees from being employed by or volunteering for another jurisdiction at the same time.

Other Reform Items:

- Advisory Referenda – Prohibits a county or municipality from holding an advisory referendum.
- Local Health Officer – Local health officers can only mandate the closure of a business in order to control an outbreak or epidemic of communicable disease for longer than 14 days if the governing body approves the extension beyond 14 days. No extension can be over 14 days.
- Local Government Spending Report – DOR annually would have to produce a web-based comparative local government spending report from current DOR information collected from counties and municipalities regarding the collection of taxes, receipts from licenses, and the expenditure of public funds.
- No local discrimination or preferences – Prohibits local governments from discriminating against or providing a preference in hiring or contracting based on race, color, ancestry, national origin, or sexual orientation (unless as required to receive federal aid).
- Local Regulation of Quarries – Limits the ability of a political subdivision to place limits or conditions on the operation of nonmetallic quarries from which materials are primarily used in the construction or repair of public and private transportation facilities and infrastructure.
 - Prohibits quarry permit if an ordinance did not require a permit prior to the establishment of the quarry.
 - Prohibits conditions being added to a current permit and from requiring compliance with other subdivision requirements as a condition of the permit.
 - Political subdivision may not limit blasting at a quarry except the operator may be required to meet certain conditions – preblasting notice, third party inspection of building and structures or wells within the affected area, maintain records and reports, comply with other blasting regulations not related to air blast, fly rock, or ground vibration, and comply with current law and DSPS rules related to blasting.
 - Also allows the political subdivision to petition DSPS for an order granting authority to impose additional restrictions and requirements related to blasting that are more restrictive than current law and DSPS rules.
- Knowles/Nelson Stewardship projects that take place North of U.S. Highway 8 require local government approval.