



131 W. Wilson St., Suite 505
Madison, Wisconsin 53703
phone (608) 267-2380; (800) 991-5502
fax: (608) 267-0645
league@lwm-info.org; www.lwm-info.org

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League's Statement on "Dollars and Sense" Report

Contact Jerry Deschane, Executive Director, League of Wisconsin Municipalities, 608-347-1792

Is it time for a more balanced way to pay for local government? The League believes the answer is an emphatic YES! Wisconsin's over-reliance on the property tax is not good for our citizens, our state or our economy. It's time to begin a conversation that will lead us into a new future where citizens and businesses thrive with the support of balanced, frugal, and sustainable local government services.

The Wisconsin Policy Forum "[Dollars and Sense](#)" report shows that no other state in the Midwest and few in the country rely as heavily and as exclusively on the property tax as Wisconsin. Most states balance their local government finances with local sales taxes or other sources. Because Wisconsin doesn't do that, our property taxes are high while our sales tax is low. Looked at another way, homeowners and other property tax payers pay more for local services while visitors and commuters pay much less.

Wisconsin's tax history is one of repeated attempts to lower property taxes, all of which eventually fail for the same reason: we keep trying to address the symptom (high property taxes) while ignoring the obvious cause. The cause is that we expect the property tax to do too much. Wisconsin will always have high property taxes compared to other states if we continue to expect property taxes to pay the lion's share of financing for local roads, schools, police, fire, ambulance, parks and the other basic governmental services. No other state does it this way.

High property taxes are a threat to home owners, especially senior citizens who are a growing share of Wisconsin residents. The League does not believe seniors should be taxed out of their homes so visitors can get a great deal on public services.

Eventually under this scenario, the quality of local services will begin to suffer. Levy limits have held local budgets below the rate of inflation for over six years and state support through the shared revenue program has steadily declined. Every state budget cycle, police officers, firefighters, emergency medical technicians, librarians, snow plow drivers and park workers lose ground to other priorities. Roads, sewers and water systems have also been put on the back burner or paid for by growing municipal debts (which will have to be repaid by our children). There needs to be a better solution.

Spending is not the problem. According to U.S. Census Bureau, municipal spending in Wisconsin is just two-thirds of the national average (\$2,205 per capita in Wisconsin vs. national average of \$3,443). Differences in services provided may account for some of this huge gap, but the League is confident that local spending in Wisconsin is substantially less than the national average. We support more research on this question as part of the ongoing dialog.



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Cities and villages need a broader, more stable funding base; one that is more responsive to the economy, shares the burden for local services among residents and visitors and is less-dependent upon state resources. Let the conversation begin.

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Read the Wisconsin Policy Forum report "Dollars and Sense: Is it time for a new municipal financing framework in Wisconsin?" here: <https://wispolicyforum.org/research/dollars-and-sense-is-it-time-for-a-new-municipal-financing-framework-in-wisconsin/>

The League of Wisconsin Municipalities advocates for Wisconsin's cities and villages, large and small, urban and rural, speaking up for local democracy and common-sense citizen led government. Learn more at <http://www.lwm-info.org/>