

**Legislative Update and League News**

**League Of Wisconsin Municipalities**  
June 9, 2021

Clerks , Treasurers, and Finance Officers Workshop



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**The Plan for Today**

Discuss three items:

1. League News and Updates
2. ARPA
3. State Legislation including State Budget

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**League News and Updates**

- Hired Toni Herkert in January
- Teamed up with CBG to create online Contractor Evaluations
- Working with NLC's REAL on providing guidance to communities seeking to engage in race equity discussions

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**Responsible Contractor Database**



In 2020, League partnered with Construction Business Group to Create [ResponsibleWisconsin.com](https://ResponsibleWisconsin.com)

- Provides local government officials/staff with exclusive access to project evaluation form for public works projects.
- Project evaluations are connected to the contractor and available to view by other local governments.
- Survey form allows local staff to weigh in on whether project was completed on time, within budget, and whether the quality of work was satisfactory.

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**Congress for New Urbanism (CNU) League Collaboration**



- Exciting new zoning guide to help communities create more workforce and “missing middle” housing
- CNU’s Project for Code Development emphasizes incremental change, rather than wholesale rewriting of a zoning code
- Project will include training for municipal staff and private planning consultants on implementing guide

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**American Rescue Plan Act Federal Funding**



Direct Aid to Cities, Villages, Counties and Towns = \$2.3 billion

- \$1.1 billion to counties
- \$780 million to entitlement communities (21 metro cities)
- \$411 million to non-entitlement communities (about \$100 per capita)

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**ARPA Timing** 

- **Timing of Receiving Funds**
  - 1<sup>st</sup> payment is being made to large communities right now. Communities under 50,000 probably by the end of June.
  - 2<sup>nd</sup> payment no earlier than 12 months after first payment.
  - Spending deadline – Funds need to be obligated by Dec. 31, 2024 and project completed by December 31, 2026.

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**ARPA Process** 

- Entitlement communities to receive funds directly from U.S. Treasury but must follow federal process.
- Non-entitlement communities to receive funds through state (DOR) after signing contract and informing state of 2020 budget numbers. Deadline for filing ARPA request from with DOR is June 18.

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**ARPA Planning** 

- **Community Preparedness**
  - SLOW DOWN and PLAN – funding is through 2024 so no need to rush
  - MAINTAIN records & method for accounting/recordkeeping

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## ARPA and ERP



- DOR's guidance confirms that you can avoid having the ARPA payments disqualify your community from ERP by using the dollars for a specific purpose and allocating and expending the dollars from a special revenue fund.

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## ARPA and Levy Limits



- DOR's guidance also reminds local officials that if your governing body chooses to reduce the municipality's property tax levy in response to receiving ARPA federal stimulus payments your property tax levy limit will be reduced in the following year. Under the levy limit law a community's allowable base levy is the prior year's actual levy.

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## ARPA Eligible Uses



ARPA is divided in 5 Categories of Eligible Use

- Support Public Health Expenditures
- Address Negative Economic Impacts
  - Serving the hardest hit communities/families
- Replace Lost Public Sector Revenues
- Provide Premium Pay for Essential Workers
- Invest in Water, Sewer, or Broadband Infrastructure
  - Including Stormwater and Clean Water/Safe Drinking Water State Revolving Loan Program Eligible Projects

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### Under the Dome Split Control of State Capitol Continues

- Sharp divides between parties witnessed more during COVID-19 with FED funds.
- Expect fewer laws to be passed.
- Bipartisan support for Transportation and Broadband in Budget.

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### State Capitol Realities

- GOP retains large majority in Assembly: 61-38. Down from 63-36 and increases majority in Senate: 21-12. Up from 19-14
- Governor controls agencies, Federal funding in Covid relief bills and the American Rescue Plan and has the largest bully pulpit.

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### New Senate Legislative Leaders

Maj. Leader: Sen. Devin LeMahieu  
R-Oostburg: representing portions of Sheboygan, Manitowoc, and Calumet counties



Minority Leader: Sen. Janet Bewley  
D-Mason: representing Barron, Douglas, Bayfield, Ashland, Iron, and Price Counties



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## Assembly Legislative Leaders

Assembly leadership no change:

- Speaker: Rep. Robin Vos  
R-Rochester
- Minority Leader: Rep. Gordon Hintz  
D-Oshkosh




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## Governor Evers' State Budget Local Government Friendly

- Critical and long-awaited increase in Shared Revenue
  - 2% in 2021 and 2022
  - \$15.06 m in 2021 and \$30.4 m 2022 and future years
- Levy Limits – 2% increase for low/no growth communities
- General Transportation Aids – 2% increase in 2022 and 2% in 2023
- Reauthorization of MLS Program - \$75 million
- Broadband Expansion – Over \$200 million

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## League Budget Priorities Increase State Aid

### Declining Shared Revenues (In Millions)



Source: Legislative Fiscal Bureau, 2019-2021 Budget Summary  
[https://legis.wisconsin.gov/legis/budget/2019\\_21\\_budget\\_summary](https://legis.wisconsin.gov/legis/budget/2019_21_budget_summary)

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**League Budget Priorities**  
Continue to Invest in  
Municipal Streets



WIS 22 (Main Street), Clintonville

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**League Budget Priorities**

Levy Limit Adjustments



Allow low and no-growth communities to increase levy by 2%

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**League Budget Priorities**

Levy Limit Adjustments



Delete the NET in Net New Construction

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## League Budget Priorities

**More Adequately fund the Payment for Municipal Services Program**

–State currently funds about 34% for 361 participating municipalities



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## JFC Budget Action To Date

- **Shared Revenue/Levy Limits** – No Action to Date - most likely next week
- **Transportation** –
- **PSC/DNR Lead Laterals** – JFC Removed the Governor’s provision to provide \$40 million
- **Housing for homeless-** \$600,000 annually for the housing assistance grant program (Gov had \$50 million)
  - JFC also decreased municipal match for homeless unemployment program to \$10,000 rather than \$50,000 in current law.

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## League Sponsored Legislation

- **AB 56/SB 76** - Ensuring that Personal Property Aid Payments being made to a TID transfer to the municipality and other taxing jurisdictions when TID terminates.
- **AB 168/SB 187** - Allowing Village Board members to be hired as paid employees of the village.
- **Sharing cost of interest paid on property tax refunds with other taxing jurisdictions and modifying the method of calculating interest on tax refunds.**
- **Closing the incorporation loophole that new villages are using to acquire the remaining town remnant.**

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**Other Legislation** 

**SB 189/AB 191** by Senator Stroebel (R-Saukville) and Rep. Knodl (R-Germantown)

- Eliminates the Personal Property Tax on businesses

**SB 385/AB 369** – Changing deadlines for completion of local redistricting process

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**Other Legislation** 

- **AB 300** -- Establishing a process and deadlines for PSC actions relating to a water utility's application for approval of a construction project or lead service line financial assistance program.
- **AB 302** -- Exempting water utility meter upgrade projects from the PSC's utility construction review process.

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**Advocate for Municipalities** 

Stay informed about legislation by subscribing to the League's *Legislative Bulletin* and Capitol Buzz.

Offer League staff technical and real-world advice on impacts of legislation.

Testify at public hearings on legislation.

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**Questions and Comments**



Curt Witynski –  
League Deputy  
Executive Director  
[Witynski@lwmi-info.org](mailto:Witynski@lwmi-info.org)

Toni Herkert –  
League  
Government  
Affairs Director  
[therkert@lwmi-info.org](mailto:therkert@lwmi-info.org)

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