

# MUNICIPAL GOVERNMENT & UTILITY DAY 2017

May 10, 2017  
Monona Terrace Convention Center



## AGENDA

- 8:30 – 9:00 **Registration and Continental Breakfast** – *Community Terrace --Monona Terrace Convention Center*
- 9:00 - 9:10 **Welcome and Review of Agenda and Goals of the Day** -- Jerry Deschane, LWM; Jeff Stone, MEUW; Dave Lawrence, WRWA; Lawrie Kobza, MEG-Water; Paul Kent, MEG-Wastewater
- 9:10-9:20 **Address by Rep. Mike Kuglitsch**, (R-New Berlin), Chair of the Assembly Committee on Energy and Utilities (*Jeff Stone to Introduce*)
- 9:20-9:30 **Address by Rep. Rob Brooks**, (R-Saukville), Assistant Majority Leader (*Jerry Deschane to introduce*)
- 9:30 - 10:30 **Divide into municipal and utility groups and receive briefings from staff on issues to discuss with legislators**  
--League of Wisconsin Municipalities Meets in – *Hall of Ideas GJ*  
--Utility groups meet in – *Ballroom B*
- 10:30 -12:30 **Meetings with state legislators in the State Capitol**
- 12:30 - 1:45 **Legislative Lunch** – *Community Terrace -- Monona Terrace Convention Center*

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## Infrastructure Investments by Municipalities and Municipal Utilities Drive Wisconsin's Economy Forward

High quality municipal transportation, water, sewer, and electric infrastructure attracts and retains employers and their workers to Wisconsin.

Cities and villages are the state's economic engines, containing:

- ⇒ 70% of the state's population
- ⇒ 89% of the state's commercial property value
- ⇒ 86% of the state's manufacturing value
- ⇒ 136 of 141 hospitals
- ⇒ 342 libraries
- ⇒ All 13 UW System four-year campuses
- ⇒ All 24 of the state's independent private colleges and universities

But cities and villages and their utilities cannot continue to carry the state forward without adequate financing tools and funding. For that reason our organizations call on the state to:

- 1) Re-invest in municipal transportation, water, sewer, electric, and broadband infrastructure; and**
- 2) Retain and enhance economic development tools like tax incremental financing.**

*League of Wisconsin Municipalities  
Municipal Electric Utilities of Wisconsin  
Municipal Environmental Group – Water Division  
Municipal Environmental Group – Wastewater Division  
Wisconsin Rural Water Association  
Wisconsin Water Association*





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

To: Wisconsin State Legislature  
From: League of Wisconsin Municipalities' Lobbying Team  
Date: May 10, 2017  
**Re: Stop the Tax Shift -- Support LRB-0373, Closing the Dark Store Loophole; and LRB-0372, Reversing the *Walgreens* Decision**

The League of Wisconsin Municipalities urges you to support the following two bills that are circulating in the Capitol, both of which are designed to stop even more of the property tax burden from shifting to homeowners.

1. **LRB-0373, the Dark Store Bill.** This bill, which is being circulated by Rep. Rob Brooks and Sen. Roger Roth, will ensure that the dark store tax strategy being used by big box retail chains to cut their property tax bills in half in Michigan and other states does not take hold in Wisconsin. If this bill is not enacted and the dark store strategy wins in Wisconsin courts, the result will be a significant tax shift from commercial to residential and other property tax payers. Homeowners already bear a disproportionate share of the property tax burden (68%).

The bill is modeled after similar legislation that the state of Indiana passed in 2016. It clarifies that when assessors use sales of comparable properties for determining the value of a property they must use properties that are within the same market segment and similar to the property being assessed with regard to age, condition, use, type of construction, location, design, and economic characteristics. The bill explicitly provides that assessors may not use a dark store as a comparable for property that is not vacant.

2. **LRB-0372, Reversing the 2008 *Walgreens v. City of Madison* decision.** Rep. Rob Brooks and Sen. Ducey Stroebel are currently circulating this bill for co-sponsors. The 2008 *Walgreens* decision continues to control how assessors must value Walgreens, CVS, and other single-tenant retail stores, despite changes made to the *Wisconsin Property Assessment Manual* to counteract the effects of that decision. Walgreens and CVS are successfully using the decision to convince the courts that their assessed values should be less than half of the actual sale prices of the properties on the open market. As a result, more of the property tax burden is shifted to homeowners and other taxpayers.

For example, the Wisconsin Court of Appeals recently relied on *Walgreens v. City of Madison* to affirm that a CVS property in Appleton should be valued at \$1.8 million, much less than the city's \$4.4 million assessment, which was based on an actual sale of the property. Appleton must now make a \$350,000 tax refund.

It is critical to the fairness of our tax system that all properties be assessed at their fair market value. These bills will not provide one dollar more of tax revenue for municipalities, but they will prevent even more of the tax burden from being shifted to homeowners. Please sign on to both of these bills. Thanks for your consideration.

*YOUR VOICE. YOUR WISCONSIN.*



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Madison, Wisconsin 53703  
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fax: (608) 267-0645  
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To: Wisconsin State Legislature  
From: League of Wisconsin Municipalities' Lobbying Team  
Date: May 10, 2017  
Re: **Support SB 48/AB 78, Creating Innovative Ways to Help Homeowners Finance Replacement of their Lead Water Service Pipes**

The League of Wisconsin Municipalities urges you to support SB 48/AB 78, enabling municipalities and their water utilities to create financial assistance programs to assist property owners needing to replace their lead service lines.

Lead is found on both the public and private sides of water service lines in portions of at least 120 municipalities statewide. Any community that has pre 1951 housing, has lead service lines. The Environmental Protection Agency (EPA) estimates that in Wisconsin at least 176,000 lead service lines connect homes to the municipal water mains.

Replacing only the public side of lead service lines actually causes lead levels to increase in the homes being served. That is why both the EPA and DNR strongly advise that private service lines containing lead be replaced at the same time water utilities replace the public side of a lead service pipe. Total replacement is also the most efficient and cost effective way for municipal water utilities, private property owners, and contractors to completely remove lead from the service lines. Accomplishing full replacement is challenging, however, because it requires homeowners' cooperation.

According to one city, the average cost of lead service line replacement is \$3,600 with a range of \$2,000 to \$7,200. Many homeowners with lead water services have limited income and find it difficult to afford the cost of replacing their side. Even if they can afford it, homeowners often balk at being forced to make such an investment.

The Wisconsin Public Service Commission (PSC) has ruled that municipal water utilities are prohibited from using utility revenue to assist private property owners with the cost of lead service line replacement.

SB 48/AB 78 make it clear that a municipal water utility, if authorized by the city council or village board, may establish a financial assistance program to help homeowners cover the cost of replacing their lead service lines. Such a program could offer loans, grants or rebates to property owners. Under an amendment to the bill, a utility's financial assistance program must be reviewed and approved by the PSC before it can be implemented.

The PSC supports the bill as amended. We urge you to support passage of SB 48/AB 78. Thanks for considering our comments.