



Legislation Text

File #: 160520, **Version:** 1

160520
SUBSTITUTE 1

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Substitute resolution directing the Department of Administration - Intergovernmental Relations Division to seek introduction and passage of legislation that would grant the City of Milwaukee relief from the penalties imposed by the state's Expenditure Restraint Program should Milwaukee voters approve an increase in the property tax levy limit.

State law permits the City of Milwaukee to increase the property tax levy above the allowable limits if the Common Council adopts a resolution to that effect and the resolution is approved by voters at a referendum. However, if the referendum is approved, the City will likely lose aid from the State's Expenditure Restraint Program. This resolution directs the Department of Administration - Intergovernmental Relations Division to seek introduction and passage of legislation that would grant the City of Milwaukee relief from the penalties imposed by the State's Expenditure Restraint Program should Milwaukee voters approve an increase in the property tax levy limit.

Whereas, Public safety in the City of Milwaukee is among the highest priorities for maintaining tranquility, security, and a positive quality of life for residents, and the lack of public safety is not only harmful to residents, but inhibits the City's social stability and economic growth; and

Whereas, The decrease in inflation-adjusted State shared revenue to the City of Milwaukee in recent years has created challenges in providing and funding public safety services at levels desired by the residents of Milwaukee; and

Whereas, Increases to the City's property tax levy would provide additional funding for public safety services desired by the residents of Milwaukee, including expansion of the Police Department; and

Whereas, Since 2005, State law has prohibited the City of Milwaukee from increasing the property tax levy over the amount levied in the prior year by more than the percentage increase in equalized value from net new construction, with some exceptions and modifications (s. 66.0602, Wis. Stats.); and

Whereas, State law permits the City of Milwaukee to increase the property tax levy above the allowable limits if the Common Council adopts a resolution to that effect and the resolution is approved by voters at a referendum (s. 66.0602(4), Wis. Stats.); and

Whereas, The Common Council will consider adopting a resolution to increase the City's property tax levy on August 18, 2016, so as to cover costs associated with public safety, and if adopted, will put the resolution to a voter referendum on November 8, 2016; and

Whereas, The State of Wisconsin provides unrestricted aid to municipalities that limit growth in spending through the Expenditure Restraint Program (ERP), established in 1991; and

Whereas, Municipalities qualify for ERP aid if the municipality’s municipal-purpose tax rate is in excess of 5 mills and if the municipality’s budget for the year before payment did not increase over the prior year’s budget by more than an inflation factor plus a valuation factor (s. 79.05, Wis. Stats.); and

Whereas, The City of Milwaukee has received \$8.7 million in ERP aid annually for the last four years; and

Whereas, If Milwaukee voters approve an increase in the City’s property tax levy limit by referendum on Nov. 8, 2016, the City will likely be penalized by the loss of ERP aid beginning in 2018; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the City of Milwaukee directs the Department of Administration - Intergovernmental Relations Division to seek introduction and passage of legislation that would grant the City of Milwaukee relief from the penalties imposed by the state's Expenditure Restraint Program should Milwaukee voters approve an increase in the property tax levy limit; and, be it

Further Resolved, That Common Council Resolution File Number 141090 is amended by inserting the following item in the document attached to the file and identified as “2015-2016 State Legislative Package Proposals”:

Common Council	Fiscal Stability, Efficiency	Seek introduction and passage of legislation that would grant the City of Milwaukee relief from the penalties imposed by the state's Expenditure Restraint Program should Milwaukee voters approve an increase in the property tax levy limit.
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Dana Zelazny
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