



# CITY OF JANESVILLE

*Wisconsin's Park Place*

## 2018 State Legislative Agenda

### ISSUE 1: Restoration of Fiscal Local Control

Municipalities are the form of government closest to citizens and provide essential public services such as public safety, water and wastewater systems, and paved and plowed streets. Despite the great responsibility municipalities assume, the State has stripped the local ability to generate revenue in order to continue to meet citizen expectations.

- **Levy limits** hinder a municipality's ability to provide services that often grow in cost faster than the increased property value from net new construction. Fiscally prudent municipalities, such as Janesville, where the property tax per capita is third lowest among our 14 peers, are especially disadvantaged by levy limits.
- Further compounding the strain of levy limits, **Wisconsin 2013 Act 20** implemented a requirement that municipalities reduce their tax levies for new fees or fee increases for covered services, including fire protection. Fire protection fees are intended to recover the cost of providing those services, yet municipalities cannot raise fees to keep up with rising costs.
- Many states with levy restrictions allow municipalities to levy a **local option sales tax** to lessen their reliance on state aid and property tax. Like Wisconsin counties, municipalities should have the ability to implement a local option sales tax. We estimate that in 2017, a 0.5 percent sales tax in Janesville would have generated \$8.3 million in revenue for the City, paid in portion by non-residents that use services in Janesville, the economic hub in our region.

The legislature should restore local fiscal control by either removing levy limits or revising the law to allow municipalities to increase their levies by a maximum of inflation plus net new construction; allowing municipalities to increase fire protection fees to keep up with the costs to provide these services; and giving municipalities the ability to implement a 0.5 percent local option sales tax.

### ISSUE 4: "Dark Store" Property Assessment Appeals

Evolution of the property assessment process is occurring through court case law. Increasingly, fragmented court decisions are resulting in a loss of tax uniformity and the potential for a shift of the tax burden away from national and global corporations to small business and residential property owners. A recent strategy of some national retail chains is to appeal assessments, arguing their properties should be valued the same as vacant or abandoned stores. These "dark store" claims result in a shift of the tax burden to residential property owners and are costly for municipalities to fight. Since 2011, Janesville has had nine "dark store" appeals, resulting in over \$187,000 in litigation costs and over \$510,000 in refunds (costing the average assessed home an extra \$16.27). We were encouraged by the wide support for AB 386 and SB 292 that would have closed the "dark store" loophole and encourage the legislature to revisit this issue in 2018.

### ISSUE 2: Fair and Equitable Distribution of State Shared Revenue

The State's 2017-2019 Biennial Budget includes an increase in the expenditure restraint program payment to Janesville beginning in 2018 and continuing for five years. This increase acknowledges the inequitable method for the distribution of shared revenue, and allows the City to address critical budget shortfalls. However, the additional \$583,000 for five years does not remedy the problem with state shared revenue. With the additional funding, Janesville still receives only \$614 per capita in property tax and shared revenue, compared to the peer average of \$781 per capita. The City of Janesville has been a fiscally -responsible steward of taxpayer dollars with the third lowest property tax rate and third lowest property tax per capita among our 14 peer communities. State shared revenue is vital to our ability to provide public services to our citizens and should be distributed among municipalities in a fair and equitable manner. If Janesville received state shared revenue that was equal to that of the average peer city, it would equate to an increase of approximately \$6.2 million each year, more than doubling Janesville's current distribution. We request that the legislature "unfreeze" and annually recalculate shared revenue, allowing for factors such as population and assessed value growth to determine distribution.

### ISSUE 3: Adequate Funding for Local Roads and Public Transit

The City of Janesville urges our State officials to find a viable and long-term strategy for addressing Wisconsin's transportation needs while also continuing to support local road and non-motorized programs and public transit. Additionally, we ask our legislators to work with the Wisconsin Department of Transportation to manage the Urban Surface Transportation Program in a predictable and common sense way in order to ensure local communities receive full funding as allocated under federal legislation. Local roads and reliable public transit are vital to our City's economy and quality of life. More Americans than ever rely on public transit to get to school, work and essential services. In light of insufficient federal funding for capital investment, we urge the legislature to restore transit funding to historic levels.

### ISSUE 5: Regulation of Cell Phone Towers

Prior to 2013, local jurisdictions had the authority to regulate cell phone towers in residential neighborhoods. Today, municipalities have little control over where cell towers are located and how they look. The portion of 2013 Act 20 relating to cell towers took authority away from local governments and gave it to telecommunications companies. The City supports legislation similar to 2015 AB 905 which would restore municipal authority to regulate the location of cell towers within residential neighborhoods.