

## Municipal Voters Approve Levy Hikes

*In our last Focus, we looked at the results for referenda on school district spending on the November ballot. In addition, voters in many communities cast referenda ballots to exceed limits on municipal property tax levies, eliminate “dark store” property assessment practices, ease legal restrictions on marijuana, and allow for appointed instead of elected town clerks and treasurers.*

The effects of the November election continue to ripple through Wisconsin. In addition to electing a new governor, legislature, and members of Congress, voters cast ballots on scores of local issues, ranging from school district referenda to appointing, rather than electing, some town officials. In this Focus, we will examine some of the other significant votes that have not received as much public attention.

### Voters Agree to Raise Levies

As we noted in *Focus #23*, voters in 57 school districts approved a record \$1.37 billion in school district spending on Nov. 6. Between borrowing for capital projects and voting to exceed state revenue limits for operations, these decisions will effectively raise local property taxes for years to come.

Another series of votes to raise property taxes around the state received less notice. At least fifteen communities across the state held referenda to allow cities, villages, towns, or counties to exceed state-imposed property tax levy limits, and voters in 11 of those communities gave their approval. The vote marked the largest number of such referenda on the ballot at once since 2005, when levy limits were enacted. Prior to November, there had been a total of 19 levy limit referenda in 13 years, according to the League of Wisconsin Municipalities.

These referenda and their outcomes may signal a trend. As we noted in *The Wisconsin Taxpayer* (#3 and #4) earlier this year, property tax collections for many local governments have largely been frozen

since levy limits were made more restrictive in 2011.

Under current law, municipalities and counties generally may raise their levies only by the rate of net new construction; the limits may be exceeded only if voters approve a referendum. Our analysis found that only 62 of nearly 600 cities and villages averaged annual new construction rates of 2% or more between 2012 and 2016, while 186 averaged 0.5% or less. In our surveys of municipal leaders over the past three years, many reported they had to alternate among spending priorities each year in order to maintain service levels.

As shown in the table, most of the communities where levy limit referenda were held were in east and southeast Wisconsin. Eleven local governments asked to exceed the limits for specific purposes: four for streets; four for public safety; and one for an aquatic center. (DePere voters approved levy limit referenda in 2006, 2007, and 2008.) Two counties asked to exceed the limits to support their county health care facilities.

### More Town Officials Appointed

In at least 16 towns, voters decided to allow their town clerks or treasurers to be appointed by the town board instead of electing them at large. State law allows for these appointments, but requires a referendum in towns with populations of less than 2,500.

Seven towns opted for appointing both clerks and treasurers, while seven opted for an appointed clerk and two for an appointed treasurer. Supporters of these moves say they give town leaders more flexibility in finding clerks or treasurers with specialized knowledge who may live outside the town’s borders.

### Local Governments Ask Voters to Exceed Levy Limits

Unofficial Nov. 6 Results by %

Government	Issue	% Yes	% No
T. Madison	Exceed levy limits	73	27
V. Random Lake	Exceed to hire EMT	69	31
V. Monticello	Exceed levy limits	66	34
C. DePere	Exceed for aquatic center	63	37
Co. Portage	Exceed for nursing home	61	39
Co. Green	Exceed for nursing home	59	41
C. Kenosha	Exceed to hire police & fire	58	42
C. Greenfield	Exceed to hire police & fire	57	43
T. Sugar Creek	Exceed for streets	55	45
T. Decatur	Exceed levy limits	54	46
V. Richfield	Exceed for streets	51	49
T. Trenton	Exceed for streets	44	56
C. Franklin	Exceed to hire police	43	57
C. New Holstein	Exceed levy limits	41	59
V. Bloomfield	Exceed for streets	30	70

## Dark Stores — and Marijuana

All of the preceding votes were for binding referenda, which means that the votes actually determined whether the local governments would raise tax levies or appoint the town officials. But voters also expressed their preferences through a number of advisory, or non-binding, referenda around the state.

Voters in all 17 counties and six municipalities with the issue on the ballot approved referenda calling on the state to eliminate “dark store” property tax assessment practices.

As we explained in Focus #16, some large retailers and other businesses are

successfully challenging their assessments by claiming the value of a store should be based at least partly on its market value when empty, rather than either the value of comparable occupied properties, the cost of building the property minus any depreciation, or the income the property would generate through rents or other means. In many cases, when retailers’ assessments are lowered, other property owners – including homeowners and other businesses – end up paying a larger share of local property taxes.

It is uncertain whether the results will alter current practices. Gov.-elect Tony Evers (D) has indicated he opposes “dark store” assessments, while legisla-

tive leaders (R) have so far resisted efforts to change the law.

Another ballot issue with potential budget implications involves legalizing or decriminalizing marijuana in Wisconsin, either for recreational or medicinal use. While the language of the referenda varied, voters in 16 counties and two cities overwhelmingly approved easing current restrictions and, in some cases, taxing marijuana sales. Ten states and the District of Columbia have approved legalizing marijuana for recreational use, while another 23 allow it to be used for medical purposes. Federal law, however, continues to prohibit its possession, sale, or use.

## Wisconsin Policy Forum

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## Policy notes

■ *The Wisconsin Supreme Court recently released its Annual Statistical Report for the 2017-18 term, which provides information about the court’s workload.*

*The justices resolved 113 cases by opinion, up from 86 in 2016-17, including 41 attorney discipline cases (up from 30 the previous year), one judicial discipline case, no bar admission cases, 42 civil cases (up from 27) and 27 criminal cases (down from 28).*

*The court also received 737 petitions for review, up from 734, and disposed of 748 petitions, up from 704. (The court often carries over the disposition of cases from one year to the next.) The court granted 29 civil petitions for review and 21 criminal petitions, compared to 32 and 32 respectively in 2016-17.*

■ *Gov. Scott Walker (R) has directed state agencies to delay some procurement processes until Gov.-elect Tony Evers*

*takes office in January. The Department of Administration announced that as of Nov. 27, “all request for proposal (RFP) solicitations from Wisconsin state agencies that have not yet been awarded will be suspended ... until further notice. RFP events that have been posted but have not reached their due date will be cancelled with the option to restore at a future date. Agencies will determine which RFPs will be re-posted after the transition is complete.”*