



CHRIS TAYLOR

STATE REPRESENTATIVE ♦ 76th ASSEMBLY DISTRICT

**Testimony of Rep. Chris Taylor
Assembly Bill 350**

October 15, 2015

Chairman Brooks and Urban and Local Affairs Committee Members:

Thank you for holding a public hearing and for the opportunity to testify today in favor of AB 350. This legislation is about Wisconsin paying its bills.

Wisconsin established its payments for municipal services (PMS) program in 1973. The PMS program is intended to reimburse the municipalities, towns and villages through annual payments for municipal services provided to state-owned buildings and facilities. Municipal services that are eligible for reimbursement include fire and police protection, extraordinary police services, garbage and trash collection and disposal, and other approved direct services that are provided to state facilities that don't have a specific fee or specific user charge.

These payments support municipal expenditures for state facilities because these facilities are exempt from local property taxation. Reimbursements have ranged from a high of 100% from 1978 to 1981 to the current low of 42% of the payment owed. Localities expect these payments in lieu of taxes, and when the state fails to make the payment, taxpayers have to make up the difference, meaning local resources for municipal services and local infrastructure may be reduced as a result. AB 350 institutes an incremental increase of the PMS program until payments reach 100% in the year 2020.

Our municipalities, towns and villages and taxpayers throughout the state deserve to be reimbursed for the services they provide to state facilities so that they have needed revenue to invest in their local economies and infrastructure. AB 350 will affect municipalities across the state, as they will start to see an increase as soon as the 2016-2017 fiscal year.

I'm hopeful you will support this bipartisan legislation, and I would be happy to answer any questions you may have on this proposal.

Sincerely,

Representative Chris Taylor
76th Assembly District

Municipal Services Payment Summary 1973-2014

Year	Number of Governments Paid	Valuation of State Facilities	Annual Percentage Increase in Value of State Facilities	Entitlement Amount			Annual Percentage Change in Total Entitlement	Recommended Payment (Based on Appropriation)	Ratio of Entitlements to Appropriation	
				Police	Fire	Solid Waste				
2014	338	\$ 11,835,154,313	2.6%	\$ 23,043,151	\$ 20,935,150	\$ 184,146	\$ 44,162,447	6.04%	\$ 18,584,200	42.08%
2013	334	\$ 11,538,276,873	7.2%	\$ 21,258,874	\$ 20,217,820	\$ 170,375	\$ 41,647,069	11.40%	\$ 18,584,200	44.62%
2012	322	\$ 10,762,936,463	4.4%	\$ 19,437,518	\$ 17,758,186	\$ 188,348	\$ 37,384,052	4.30%	\$ 18,584,200	49.71%
2011	316	\$ 10,311,965,921	0.8%	\$ 18,747,594	\$ 16,919,136	\$ 177,338	\$ 35,844,068	5.59%	\$ 18,584,200	51.85%
2010	310	\$ 10,225,375,773	5.7%	\$ 17,042,106	\$ 16,738,935	\$ 166,862	\$ 33,947,903	10.24%	\$ 20,649,200	60.83%
2009	305	\$ 9,678,180,863	8.9%	\$ 15,359,746	\$ 15,291,858	\$ 142,729	\$ 30,794,333	13.53%	\$ 20,649,200	67.06%
2008	300	\$ 8,890,510,166	3.9%	\$ 13,510,976	\$ 13,535,068	\$ 78,289	\$ 27,124,333	-1.14%	\$ 21,998,800	81.10%
2007	292	\$ 8,558,391,873	6.3%	\$ 13,694,436	\$ 13,163,924	\$ 580,041	\$ 27,438,401	-0.23%	\$ 21,998,800	80.18%
2006	302	\$ 8,049,068,184	10.8%	\$ 13,378,624	\$ 13,545,973	\$ 576,813	\$ 27,501,410	10.18%	\$ 21,998,800	79.99%
2005	290	\$ 7,263,797,934	1.7%	\$ 12,563,493	\$ 11,768,835	\$ 628,566	\$ 24,960,894	0.09%	\$ 21,998,800	88.13%
2004	295	\$ 7,140,363,865	1.8%	\$ 12,591,661	\$ 11,666,169	\$ 680,631	\$ 24,938,461	-0.33%	\$ 21,998,800	88.21%
2003	293	\$ 7,015,156,403	6.7%	\$ 12,576,756	\$ 11,715,970	\$ 728,909	\$ 25,021,635	-1.90%	\$ 21,998,800	87.92%
2002	282	\$ 6,574,799,289	0.0%	\$ 12,882,148	\$ 11,910,677	\$ 714,344	\$ 25,507,169	5.22%	\$ 21,781,000	85.39%
2001	269	\$ 6,574,799,289	10.3%	\$ 11,856,635	\$ 11,738,513	\$ 646,273	\$ 24,241,421	6.25%	\$ 21,781,000	89.85%
2000	293	\$ 5,961,963,903	4.4%	\$ 10,800,482	\$ 11,406,154	\$ 609,331	\$ 22,815,967	4.16%	\$ 21,565,300	94.52%
1999	269	\$ 5,709,845,414	1.1%	\$ 10,404,009	\$ 10,869,529	\$ 630,801	\$ 21,904,339	2.67%	\$ 18,065,300	82.47%
1998	260	\$ 5,645,447,011	4.8%	\$ 10,209,144	\$ 10,479,557	\$ 645,796	\$ 21,334,497	4.00%	\$ 18,065,300	84.68%
1997	251	\$ 5,384,861,694	3.6%	\$ 9,848,701	\$ 10,031,828	\$ 632,629	\$ 20,513,158	3.22%	\$ 16,828,800	82.04%
1996	251	\$ 5,197,217,927	0.9%	\$ 9,471,628	\$ 9,747,624	\$ 654,728	\$ 19,873,980	-0.34%	\$ 16,828,800	84.68%
1995	252	\$ 5,149,762,573	8.5%	\$ 9,434,655	\$ 9,835,434	\$ 671,326	\$ 19,941,415	3.04%	\$ 16,828,800	84.39%
1994	253	\$ 4,744,860,838	4.9%	\$ 9,074,465	\$ 9,607,254	\$ 671,509	\$ 19,353,228	3.79%	\$ 16,828,800	86.96%
1993	240	\$ 4,522,422,103	4.0%	\$ 8,720,606	\$ 9,269,019	\$ 656,422	\$ 18,646,047	13.60%	\$ 16,075,000	86.21%
1992	230	\$ 4,348,364,856	3.4%	\$ 7,747,269	\$ 8,167,103	\$ 499,774	\$ 16,414,146	2.07%	\$ 15,075,000	91.84%
1991	238	\$ 4,206,155,311	1.4%	\$ 7,571,259	\$ 8,026,386	\$ 484,061	\$ 16,081,706	4.78%	\$ 14,400,000	89.54%
1990	229	\$ 4,147,744,346	-6.1%	\$ 7,143,065	\$ 7,773,363	\$ 431,582	\$ 15,348,010	4.17%	\$ 14,400,000	93.82%
1989	213	\$ 4,414,979,329	2.0%	\$ 6,527,046	\$ 7,629,604	\$ 577,063	\$ 14,733,713	6.70%	\$ 13,500,000	91.63%
1988	210	\$ 4,330,257,185	2.4%	\$ 6,191,324	\$ 7,152,001	\$ 465,574	\$ 13,808,899	10.75%	\$ 12,150,000	87.99%
1987	199	\$ 4,228,527,691	7.2%	\$ 5,466,532	\$ 6,611,738	\$ 390,580	\$ 12,468,850	11.28%	\$ 10,900,000	87.42%
1986	186	\$ 3,945,502,614	-0.2%	\$ 5,002,979	\$ 5,901,879	\$ 300,220	\$ 11,205,078	6.26%	\$ 10,249,960	91.48%
1985	192	\$ 3,954,481,384	1.5%	\$ 4,680,140	\$ 5,561,831	\$ 303,485	\$ 10,545,456	17.53%	\$ 10,000,000	94.83%
1984	175	\$ 3,896,029,507	4.4%	\$ 4,068,377	\$ 4,752,145	\$ 187,782	\$ 8,972,699	0.44%	\$ 8,100,000	90.27%
1983	174	\$ 3,730,542,039	7.8%	\$ 4,048,470	\$ 4,636,577	\$ 248,785	\$ 8,933,832	11.30%	\$ 8,100,000	90.67%
1982	153	\$ 3,461,097,467	13.1%	\$ 3,617,089	\$ 4,188,901	\$ 220,965	\$ 8,026,955	16.32%	\$ 7,988,213	99.52%
1981	159	\$ 3,060,322,423	10.3%	\$ 3,133,277	\$ 3,572,575	\$ 194,613	\$ 6,900,465	3.24%	\$ 6,900,465	100.00%
1980	149	\$ 2,775,217,662	6.4%	\$ 2,965,306	\$ 3,542,581	\$ 176,080	\$ 6,683,967	-7.81%	\$ 6,683,967	100.00%
1979	145	\$ 2,609,315,977	15.1%	\$ 3,033,812	\$ 4,025,069	\$ 190,942	\$ 7,249,823	11.22%	\$ 7,249,823	100.00%
1978	128	\$ 2,266,262,810	4.3%	\$ 2,889,486	\$ 3,468,934	\$ 160,053	\$ 6,518,473	4.31%	\$ 6,518,473	100.00%
1977	102	\$ 2,173,355,692	92.0%	\$ 2,780,157	\$ 3,353,856	\$ 115,206	\$ 6,249,219	19.95%	\$ 4,197,000	67.16%
1976	105	\$ 1,131,840,604	N/A	\$ 2,317,276	\$ 2,807,000	\$ 85,443	\$ 5,209,719	5.51%	\$ 4,125,000	79.18%
1975	106	Not Available	N/A	\$ 2,171,852	\$ 2,692,614	\$ 72,545	\$ 4,937,829	17.18%	\$ 3,749,993	75.94%
1974	97	Not Available	N/A	\$ 1,813,713	\$ 2,338,500	\$ 61,494	\$ 4,213,707	11.51%	\$ 3,749,950	88.99%
1973	100	Not Available	N/A	\$ 1,830,221	\$ 1,860,171	\$ 88,508	\$ 3,778,900	N/A	\$ 3,250,000	86.00%



State Senator
Rick Gudex

District 18

October 15, 2015

To: The Assembly Committee on Urban and Local Affairs
From: Sen. Rick Gudex
Re: Assembly Bill 350

Mr. Chairman, members of the committee, thank you for hearing this important bill today. I know that you will already have heard the basics of this bill, so I won't repeat them here. You will have heard about the lack of fairness in our system of reimbursing the over 300 municipalities in which the state holds property for services they render, and you will have heard that paying for the services we receive is simply the right thing to do.

This is all true. If we receive a service, we should pay for it. To do otherwise is really a transfer of tax money from one group of property taxpayers to another. We all receive the services the state provides, but some of our taxpayers pay more for them, simply because the state owns property in their city, village, or town. Their taxes subsidize the local services that state property receives. Other taxpayers, those lucky enough to not have state property for a neighbor, don't. Looked at another way, this bill will provide a property tax reduction for those taxpayers who have been subsidizing state property for all these years. I can't see but that's the right thing to do.

This bill isn't perfect. Its major flaw: future legislatures and budgets will be able to ignore it with the simple use of a notwithstanding clause. One legislature can't bind a future legislature to its will, so there's little we can do about that other than to have the statutes reflect that we want to pay for the services we receive. We want to pay for what we get, we want to be good neighbors. That's the real purpose of this bill, and I urge your support.



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To: Assembly Committee on Urban and Local Affairs
From: Curt Witynski, Assistant Director, League of Wisconsin Municipalities
Date: October 15, 2015
Re: AB 350, Requiring Full Funding of the Payment for Municipal Services Program

The League of Wisconsin Municipalities strongly supports AB 350, which calls for the state to fully fund the program that reimburses municipalities for police and fire services provided to state owned facilities. Through the Payment for Municipal Services (PMS) program, which was established in 1973, the state provides annual payments designed to reimburse municipalities for the cost of providing services to tax exempt state facilities. The intent of the program is to help control local property taxes by making an equitable contribution toward the cost of municipally provided fire and police protection, extraordinary police services, and garbage collection.

In the current state budget annual funding for the program is set at \$18,584,200. In 2015, this amount covered less than 42% of the actual costs municipalities incurred in serving state facilities statewide. Needless to say, the gap between a community's actual expenses and the state's reimbursement payment is filled by municipal property taxpayers.

From 2003-2008 the funding level for the PMS program held steady at just under \$22 million annually. That amount was sufficient to cover from 80 to 88 percent of municipal costs during those years. **Since 2009 the program has been chronically and substantially underfunded.**

While communities fortunate enough to host state facilities like a UW System University, receive economic as well as cultural and other quality of life benefits, there are additional costs associated with providing police and other services to such facilities. The extra cost of serving state facilities should not be disproportionately borne by property taxpayers in the community.

We strongly urge you to recommend passage of AB 350 which requires PMS funding levels to be ramped up incrementally over several state budgets to reach an amount sufficient to reimburse 100% of municipal costs by 2020. DOR estimates that this amount will be \$61 million in 2020.

Thanks for considering our comments.

PMS Cities with Full Time Fire Departments

Green Bay	Stevens Point
Chippewa Falls	Appleton
Madison	Racine
Fitchburg	Beloit
Sturgeon Bay	Janesville
Superior	Sheboygan
Menomonie	West Bend
Eau Claire	Waukesha
Fond du Lac	Menasha
Watertown	Oshkosh
Pleasant Prairie	Marshfield
Kenosha	Wisconsin Rapids
La Crosse	Oconto
Onalaska	Rhineland
Antigo	West Allis
Merrill	
Two Rivers	
Manitowoc	
Wausau	
Marinette	
Greendale	
Greenfield	
Milwaukee	
Oak Creek	
South Milwaukee	



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October 14, 2015

Assembly Committee on Urban and Local Affairs
17 West Main Street
Madison, WI 53703

Dear Committee Members:

We are writing this letter to show our support for Assembly Bill 350 relating to State Payments for Municipal Services.

The Municipal Services Payment Program was established to provide payments to local governments in lieu of taxes for Police, Fire, and Solid Waste services that municipalities provide to State owned facilities in their jurisdictions.

The City of Superior is fortunate to host a UW System University which adds economic, as well as cultural and other quality of life benefits to our community. But these benefits also come with additional costs associated with providing Police, Fire and Solid Waste service. Over the past five years we have experienced a steady increase in the cost of providing these critical services to State owned facilities in our community. At the same time, we have seen a steady decrease in the percentage of our costs reimbursed through the Payments for Municipal Services Program.

Just six short years ago, the City of Superior was reimbursed 81.1% of the costs to provide Police, Fire and Solid Waste service to State facilities. This year, the City was only reimbursed 42.1% of the cost to provide these same critical services. In terms of dollars, this equates to \$351,017 in expenses that were not reimbursed through the Payments for Municipal Services Program. Needless to say, this gap between our actual expenses and the State's reimbursement payment is ultimately borne by the property taxpayers in our community.

In addition to a shrinking reimbursement percentage, the City of Superior's gross entitlement for police service is automatically reduced by 40% because the UW-Superior campus has its own security personnel. While campus security is a valuable service, City Police officers are often called to provide backup, and significant criminal matters such as sexual assaults and major felonies regularly get referred to the City's Investigative Division. A recent suspicious package incident on campus is a good example of campus security lacking the resources to effectively

Assembly Committee on Urban and Local Affairs

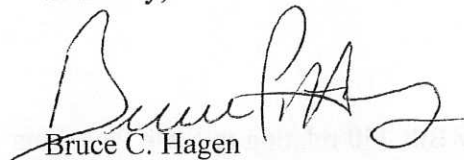
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resolve the issue. This one incident alone required an abundant use of City resources to resolve which makes the 40% reduction seem questionable.

We strongly support Assembly Bill 350. Increasing the funding of the state Payment for Municipal Services Program will lessen the burden on property taxpayers in our community and will allow us to continue providing critical services to state facilities.

Sincerely,



Bruce C. Hagen
Mayor

Bh/cb