# MICHAEL SCHRAA

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### STATE REPRESENTATIVE • 53RD ASSEMBLY DISTRICT

### **Testimony on Assembly Bill 361**

Chairman Macco, Vice Chairman Katsma, and Members of the committee, thank you for allowing me to provide testimony on this legislation, a bill that will require a referendum to impose a wheel tax.

A "wheel tax," as you know, is an extra registration fee charged for each motor vehicle in a county or municipality. The funds must be used for transportation-related projects.

It's not news that Wisconsin has faced tremendous challenges in transportation funding, and that some areas are still hard-pressed to fill the potholes, despite significant reforms under this administration.

As we are all well aware, the previous administration raided the Transportation Fund for other pet projects, leaving our transportation infrastructure in poor repair. This led to somewhat higher costs due to inflation and excessively higher costs due to the infrastructure deterioration during that delay. The citizens of Wisconsin approved a constitutional amendment to protect the fund from future raids, and the legislature used the increased revenue from economic reforms to repay the fund; however the lost opportunity cost is not so easily recovered. A number of counties and municipalities are still struggling to recover from this mismanagement.

Of course, there are those that oppose any wheel tax because it is regressive. Others don't like a wheel tax because it may be used to get around levy limits. While you may or may not agree with those opinions, it's hard to argue that the people should not be consulted with this kind of a fee increase. In fact, the Town of Blue Mounds here in Dane County passed a resolution in 2011, and they asked me to bring it to your attention. It was their request at the time to hold a binding referendum before imposing a wheel tax.

If the residents want a wheel tax, they can and should have a wheel tax.

On the other hand, if residents don't want a wheel tax, they can vote out the officials that imposed it, but they're still stuck with the fee

Now, I would like to draw your attention to the fiscal estimates from the Elections Commission and the Department of Transportation. You will note that Michael Hass of the Elections Commission points out that a referendum could increase costs to local government, especially if there was nothing else on the ballot. I had the same concern, which is why the bill requires the referendum to be held at a regularly scheduled election—to minimize these costs. The Department of Transportation's fiscal estimate points out the excessive administrative costs associated with issuing refunds if a current wheel tax was to fail at referendum. To address this concern, I have drafted an amendment that will provide a 90 day delay after a referendum to allow DOT adequate time to update its renewal notices.

I have also drafted a second amendment. There was some question as to whether a wheel tax ordinance that had been passed but had not yet taken effect was subject to a referendum. To be fair, the referendum requirement should apply equally, so the second amendment clarifies that a referendum is required before implementing any new wheel tax that hasn't taken effect before the effective date of this bill.

In closing, I ask you to give the voters a real choice. There just isn't any good reason not to include a wheel referendum question on the ballot of a regularly-scheduled election.

Thank you for the opportunity to present AB 361 to this committee, and I would be happy to answer any questions you may have.

# RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TOWN OF BLUE MOUNDS, DANE COUNTY, WISCONSIN OPPOSING PROPOSED COUNTY WHEEL TAX OR VEHICLE REGISTRATION FEE Resolution No: 2011-2

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TOWN OF BLUE MOUNDS, DANE COUNTY, WISCONSIN OPPOSING THE IMPOSITION OR ENACTMENT OF A WHEEL TAX OR VEHICLE REGISTRATION FEE BY THE DANE COUNTY, WISCONSIN BOARD OF SUPERVISORS.

WHEREAS, in 1990 a majority of the Dane County Board of Supervisors passed a ½ cent county sales tax that took effect April 1, 1991 and was intended to provide for the construction of a new county jail, stabilize the county property tax rate, and support the basic services that the County provides in other areas including but not limited to human services; and

WHEREAS, receipts from that newly imposed county sales tax did allow for a county jail to be constructed, and paid for; and

WHEREAS, since the enactment of a county sales tax no real property tax rate stabilization within Dane County has occurred; and

WHEREAS, the sales tax previously enacted by a majority of Dane County Board of Supervisors has generated sales tax revenue between April 1, 1991 and August 30, 2011 totaling \$685,897,536.80; and

WHEREAS, the Dane County Board of Supervisors has reluctantly maintained the most basic of services due the citizens of Dane county, that being well maintained roads, and has annually failed to fund much the much reeded repairs on County Road E within the Town of Blue Mounds; and

WHEREAS, a majority of the Dane County Board of Supervisors has borrowed and spent millions of dollars on land purchases at the expense of critical human services; and WHEREAS, a possible County Wheel Tax or Vehicle Registration Fee has been discussed by the Dane County Board of Supervisors Personnel

and Finance Committee as recently as Tuesday, November 1, 2011 without determining what the fee will be or if there will be any limitations on the amount of money that can be raised; and WHEREAS, a Wheel Tax between \$15 and \$25 per vehicle is estimated to raise about \$5,000,000 annually, the equivalent to raising property taxes an additional 5% this year on top of the 4% property tax increase proposed in the County Executive's 2012 budget.

NOW, THERFORE, BE IT RESOLVED that the Board of Supervisors of the Town of Blue Mounds, Dane County, Wisconsin;

- (1) Object to any imposition or enactment of a County Wheel Tax or Vehicle Registration Fee by a majority of the Dane County Board of Supervisors either with or without the approval or veto of the Dane County Executive.
- (2) The Board of Supervisors of the Town of Blue Mounds, Dane County, Wisconsin furthermore demand any attempt to impose or enact a County Wheel Tax or Vehicle Registration fee be placed before the voting citizens of Dane County, primarily in the form of a binding referendum or secondarily in the form of an advisory referendum at the next regularly scheduled April or November general election within Dane County.
- (3) The Board of Supervisors of the Town of Blue Mounds calls upon the Dane County Board of Supervisors to use a method of baseline budgeting in order to justify all county department's expenditures and find any needed money to fund human services in the up coming 2012 budget year through prioritization of real and necessary needs and without considering enacting or imposing a Wheel Tax or Vehicle Registration Fee.
  (4) The Clerk of the Town of Blue Mounds Board of Supervisors shall certify this resolution

to the Dane County Executive, the Dane County Board of Supervisors, President and the

Dane County Board of Supervisors, upon passage by the duly elected
members of the Town of Blue Mounds, Board of Supervisors:
Dennis Jelle, Town Chairman, Yea Nay Alvin Antonson, Supervisor #1, Yea Nay and John Brixy, Supervisor #2 Yea Nay Nay
Yeas 2 Nays Abstained Absent Passed by the Board of Supervisors of the Town of Blue Mounds, Dane County, Wisconsin this 4 day of 2011.  The above resolution is approved and attested to by me this 4 day of 2011.  Helen Kahl, Clerk, Town of Blue Mounds, Dane County, Wisconsin.
DENDIS JELLE, CHAIRMAN,  LINION SUPERVISOR#1
JOHN BRIXY, SUPERVISOR #2
John Roll

\*

# Stephen L. Nass

Wisconsin State Senator

### AB 361 Wheel Tax Referendum Requirement

Testimony of Senator Steve Nass Assembly Committee on Ways & Means December 14, 2017 • 417 North, State Capitol

Thank you Chairman Macco for holding a public hearing on Assembly Bill 361. The bill would require voter approval, through a local referendum, for a municipality or county to impose a local vehicle registration fee, commonly known as a wheel tax. AB 361 also requires a referendum in order for a jurisdiction that already has a wheel tax to keep it in effect. We will introduce an amendment to address the procedural issue identified by the Department of Transportation that eliminates any potential fiscal impact.

Under current law, the governing body of a municipality or county may enact an ordinance imposing a wheel tax on all vehicles registered in Wisconsin that are kept within their local jurisdiction. The revenues collected from a wheel tax must be used for transportation related purposes only. However, some municipalities with a wheel tax circumvent this requirement by reducing the amount of property tax levy dollars spent on road projects by the amount of wheel tax dollars collected. In such an instance, no additional road projects are completed than would have been done without the wheel tax; the funding source is just different and the tax levy dollars are spent in other areas of their budget.

AB 361 requires a municipality or county that wants to impose a wheel tax to hold a referendum on the question at a regularly scheduled election. The wheel tax can only be imposed if approved by the majority of local voters who vote in the referendum. A wheel tax imposed prior to the effective date of this bill must be approved by local voters in a referendum within 18 months of the bill becoming law in order to remain in effect.

This legislation does not take away the ability of a local municipality or county to propose a wheel tax. It simply gives voters and taxpayers the final say on whether a wheel tax is imposed in their communities. Holding a referendum requires municipalities to make the case to local residents that this new fee is necessary and will be used for its intended purpose of improving roads.

The wheel tax has proven to be unpopular in many municipalities where it has been imposed, and it has not always resulted in more road projects being completed sooner. Recently, Milwaukee County voters overwhelmingly rejected doubling the county's wheel tax to \$60, by a vote of 72-28% in an April 4, 2017 advisory referendum.

"In God We Trust"

Similarly, Marshfield residents rejected a referendum in August 2016 to increase property taxes for road repair and construction projects, with 64% opposed.

Currently 25 municipalities and counties in Wisconsin have enacted a local wheel tax (as of September 28, 2017), according to data provided by the Wisconsin Department of Transportation. The wheel tax fee in these jurisdictions ranges from \$10 to \$30, although Milwaukee County recently considered doubling their wheel tax to \$60. Most of the municipalities with a wheel tax impose a \$20 fee in addition to the state vehicle registration fee of \$75. Almost all local wheel taxes have been imposed within the last 3 years, with only two (City of Milwaukee and St. Croix County) predating 2015.

Thank you for the opportunity to testify in support of this legislation that returns more power to local taxpayers. If committee members have further questions, I am happy to answer them at this time.

# **Wisconsin Wheel Tax Jurisdictions**

		Effective
LUG	Amount	Date
City	20	2/1/2015
Township	20	4/1/2015
City	20	2/1/2015
County	10	1/1/2015
Village	20	10/1/2017
City	20	1/1/2018
City	20	3/1/2016
City	20	7/1/2015
County	20	2/1/2015
Village	10	8/1/2017
City	20	1/1/2016
City	10	8/1/2015
County	20	1/1/2018
City	20	5/1/2016
County	25	12/1/2016
City	30	4/1/2017
City	20	12/1/2008
County	30	3/1/2017
City	20	1/1/2018
City	20	3/1/2017
City	20	4/1/2017
	20	1/1/2016
City	20	2/1/2016
County	10	1/1/2008
	10	9/1/2016
	Township City County Village City City County Village City City City County City County City County City City City City City City City Ci	City         20           Township         20           City         20           County         10           Village         20           City         20           City         20           County         20           Village         10           City         20           County         10

Source: Wisconsin DOT, 9/28/2017



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#### **MEMORANDUM**

TO:

Honorable Members of the Assembly Committee on Ways and Means

FROM:

Daniel Bahr, Government Affairs Associate

**DATE:** 

December 14, 2017

**SUBJECT:** 

Opposition to Assembly Bill 361

The Wisconsin Counties Association (WCA) is opposed to Assembly Bill (AB) 361, which requires a referendum prior to adoption of a local vehicle registration fee. Local governments throughout the state have enacted local registration fees in recent years in an effort to fund deferred maintenance on the local transportation network.

The decision to impose a vehicle registration fee to support the County Trunk Highway system and local transportation infrastructure is a decision best made at the local level. Ultimately, local elected officials are accountable to local taxpayers and are currently subject to voter approval via the ballot box. Adding a referendum requirement is a costly and unnecessary requirement for local governments to enact a vehicle registration fee. Traditionally, state funds accounted for 30 percent of local transportation maintenance costs. This state-local partnership reflected a desire to ensure local governments received an adequate share of state gas tax and registration fee dollars to maintain local roads and bridges. However, due to stagnant revenues in the state's transportation fund, state support to counties is now below 20 percent.

Fortunately, the most recent state budget provided significant increases in local transportation aids. Local governments are incredibly appreciative of these additional funds, but more work remains to be done. With county road replacement schedules exceeding 100 years in some parts of the state, additional revenues are needed. Currently, in an era of tight property tax controls, the local registration fee remains one of the few options for counties to pay for ongoing infrastructure maintenance.

Again, local officials are elected by local taxpayers and must answer to those taxpayers at the ballot box. Imposing additional requirements on local government's ability to raise transportation revenues is not in the best interest of local taxpayers, the local economy, or the state's entire transportation network.

We respectfully request the committee oppose AB 361 and work with all transportation stakeholders on a sustainable, long-term solution to transportation funding.



### MILWAUKEE COMMON COUNCIL

City Hall Room 205, 200 E. Wells Street, Milwaukee, Wi 53202 • (414) 286-2221 • Fax (414) 286-3456 • www.milwaukee.gov/council

### City of Milwaukee Testimony on AB 361 December 14, 2017 Assembly Committee on Ways and Means

The City of Milwaukee is opposed to AB 361 primarily due to the retroactive referendum requirement in the bill. The City adopted a Motor Vehicle Registration (MVR) fee of \$20 in 2008, and it remains at that level today. It's important to understand the history and background that led to that decision nearly 10 years ago.

Wisconsin municipalities are limited in their ability to collect revenue to the property tax levy, shared revenue, and fees for service. Currently and in 2008, state law allowed municipalities to enact an ordinance imposing an annual flat fee on all vehicles under 8000 pounds which are customarily kept in the municipality.

The City has 942 miles of neighborhood streets not including major arterials. In 2007, the City Comptroller issued a report that concluded, neighborhood streets would not be repaved or rebuilt for 163 years or 100 years beyond their useful life at the current replacement rate. It was this report that spurred the decision to recognize we needed an alternative to funding the replacement of neighborhoods streets. At the same time, approval of special assessment projects by adjoining owners had declined from nearly 94% approval in 2000 to 72% in 2008. Additionally, calls for service skyrocketed to 6,537 calls in the first four months of 2008 surpassing the 2007 total of 6,273. With 60% of city residences non-owner occupied, we needed a broader solution to fund streets that was not tied to the adjoining property.

The City decided to enact the \$20 MVR in 2008 to eliminate special assessments that residents paid when their street was reconstructed. Typically, when a street was reconstructed the adjoining property owner was required to pay 60% of the cost at an average of \$1500-\$2000 but could be as much as \$3000. Today, the City pays 100% of the cost. A homeowner would have to be in their home for 100 years at \$20 to pay the same amount that they used to pay for local road reconstruction. By enacting the MVR and eliminating the special assessment process, homeowners paid less and the City was given more assurances that roads would be replaced. Prior to this, city engineers had to design the replacement in order to determine the cost only to have those plans fail to get resident approval. This was highly inefficient and costly.

The City raises approximately \$6.6 million annually from the MVR. \$3.5 million goes to replacing the special assessments as described above and another \$3 million has helped support increased capital budget resources for streets, bridges, street lighting and traffic control. City funding for streets has grown from \$11.97 million in 2008 to \$19.6 million in 2017.

The City adopted the MVR in 2008 to provide fairness and a property fee reduction to homeowners through the elimination of a burdensome special assessment for neighborhood street reconstruction. Further, it was adopted to facilitate a rational process for maintaining surface transportation infrastructure rather than leave the approvals to the whim of homeowners. The reality of declining state aids also factored into this decision. The City receives \$99.33 million less than it did in shared revenue and expenditure restraints payments in 2003 or \$21.8 million in nominal terms.

This decision was made by locally elected officials to address a problem in their community and there have been two elections since the MVR was adopted and no member of the Common Council or Mayor was unelected because of this fee. A referendum is unnecessary.

The City of Milwaukee asks that you oppose AB 361 because we believe it would be wholly unfair to require a referendum 10 years after we adopted a fee that was allowed by state statute at the time.

Thank you for your consideration.

Brenda Wood, Intergovernmental Policy Manager City of Milwaukee <u>bwood@milwaukee.gov</u> 414-286-2371(W) 414-339-9054 (cell)



## Milwaukee County Board of Supervisors

TO:

Representative John Macco, Chairman, Assembly Committee on Ways and Means

Members, Assembly Committee on Ways and Means

FROM:

Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors

DATE:

December 14, 2017

RE:

Assembly Bill 361

Chairman Macco, members of the Committee, thank you for allowing me to submit this testimony related to Assembly Bill 361 ("AB 361"). Like you, I recognize that Wisconsin's taxpayers—our shared constituents—offer important direction in guiding state and local governments' policy and fiscal decisions. It is for this reason that I support the provision included in AB 361 that precludes a municipality from imposing a new or increased vehicle registration fee unless it is first approved by a majority of the affected electors in a binding referendum.

By its own choice, and on two separate occasions, the Milwaukee County Board has effectively implemented this policy. For instance, the County Board expressly rejected Executive Abele's proposed \$60 vehicle registration fee (included as part of his 2017 recommended budget) in favor of a more moderate \$30 vehicle registration fee after extensive consultation with both taxpayers and business interests. Subsequently, the County Board initiated a referendum asking voters whether they supported a \$60 vehicle registration fee. By a vote of 72% to 28%, Milwaukee County voters unambiguously rejected Executive Abele's proposed \$60 vehicle registration fee. As a result, when Executive Abele again proposed a \$60 vehicle registration fee to support new spending as part of his 2018 proposed budget, the County Board again rejected the proposal, this time on the basis of the overwhelming opposition of Milwaukee County voters. The County Board chose instead to implement modest spending reductions and to reject some of Executive Abele's requests for new spending to replace the vehicle registration fee revenue that would otherwise have been generated.

Despite my support for prospective referendums approving new or increased vehicle registration fees, I cannot support the bill's requirement for retroactive referendums for existing vehicle registration fees. Communities that have already enacted a vehicle registration fee made this decision based on myriad interrelated taxing and spending considerations. For instance, some municipalities have chosen to forgo levying to the max in favor of implementing a vehicle registration fee. In other instances, municipalities have forgone opportunities to reduce spending or increase user fees in favor of a vehicle registration fee. In each instance, however, where a municipality has already enacted a vehicle registration fee, the options once available to the municipality (e.g. levying to the max, increasing user fees, reducing services, rejecting new spending) have been forgone. These municipalities are no longer able to retroactively modify their levy, to reduce their spending decisions, or to consider other alternatives to the vehicle registration fee. Once a municipality's levy is set, it cannot be modified. Once a municipality's level of services are established, it is virtually impossible to reverse.

As a result, once a municipality has adopted and implemented a budget containing a vehicle registration fee, that policy cannot be reversed absent significant cuts to its transportation budget. State statute requires that

all proceeds generated from a vehicle registration fee be devoted to a municipality's efforts to maintain and improve its transportation infrastructure. Thus, in the event a retroactive referendum fails, and the existing vehicle registration fee must be repealed, a municipality has no choice but to make dramatic cuts to its transportation budget.

To be certain, municipalities are in need of a new and permanent revenue stream to address the issues related to the state's deteriorating transportation infrastructure. Still, we appreciate the need to be responsive to taxpayers' wishes, which is why we support AB 361's <u>prospective</u> referendum requirement. But, without the authorization of alternative revenue streams, reversing a municipality's spending decisions based on pre-existing vehicle registration fees is impossible.

It is our hope that we can act in partnership with you as you deliberate on these important decisions. We share your goal of being responsive to taxpayers, but we also must adhere to the statutory and constitutional dictates that require we implement and maintain a balanced budget. These dictates are directly in conflict to the proposed retroactive approval of taxing and spending decisions that have already been made and for which no alternative remedy exists.

We appreciate the challenges you face as you consider these important questions. It is in this spirit of cooperation that we support your desire to implement referendum requirements on new or increased vehicle registration fees, but respectfully request that you not impose similar requirements on vehicle registration fees already in existence.

Thank you for your time and consideration of these requests. Should you have questions or concerns, please feel free to contact me at (414) 278-4280 or our legislative liaison, Liz Stephens, at (608) 217-8935.



FOR IMMEDIATE RELEASE
December 13, 2017
Contact: Brian Rothgery, 414-278-4230
brian.rothgery@milwaukeecountywi.gov

# Abele Continues to Push Wheel Tax Increase In Spite of Voter Opposition, Lipscomb Remains Opposed

Pending Legislative Action Puts All Wheel Tax Revenues at Risk

MILWAUKEE – County Board Chairman Theodore Lipscomb, Sr. reaffirmed his opposition to doubling the county wheel tax today, in the wake of comments by Abele administration officials who suggested that taxpayers bear the costs of Abele's failure to manage his departments and identify \$3.75 million in savings across a \$1.1 billion budget, as required, without impacting critical services.

"Abele wants to give all Milwaukee County residents a \$60 wheel tax for the holidays, I remain opposed to doubling the wheel tax, and think he deserves a lump of coal for continuing to ignore the will of the voters." said Lipscomb.

Following a Finance and Audit Committee discussion this week over the Abele administration's \$200,000 cut to emergency homeless shelter contracts, the Abele administration began a renewed push for the County Board to take up Abele's proposal to double the wheel tax, even suggesting a special meeting before the holidays to act on it.

The Milwaukee County Board rejected Abele's \$60 Wheel Tax proposal, for the second time, last month when they adopted the 2018 Budget.

The Abele administration's effort to reintroduce his failed \$60 wheel tax comes as the Wisconsin Legislature is once again <u>considering</u> a bill that would <u>require</u> a majority of voters to approve a wheel tax before municipalities could collect the revenue, making the risk of this revenue source even more acute.

# Wisconsin Transportation

# BY THE NUMBERS

MAY 2016



# **Executive Summary**

Eight years after the nation suffered a significant economic downturn, Wisconsin's economy continues to rebound.

The rate of economic growth and the quality of life in Wisconsin will be greatly impacted by the reliability and condition of the state's transportation system.

An efficient, safe and well-maintained transportation system provides economic and social benefits by affording individuals access to employment, housing, healthcare, education, goods and services, recreation, entertainment, family, and social activities. It also provides businesses with access to suppliers, markets and employees, all critical to a business's productivity and ability to expand. Reduced accessibility and mobility—as a result of traffic congestion, a lack of adequate capacity, or deteriorated roads, highways, bridges and transit facilities—diminish a region's quality of life by reducing economic productivity and limiting opportunities for economic, health or social transactions and activities.

The three pillars of Wisconsin's economy—manufacturing, agriculture, and tourism—depend on a safe and efficient transportation system.

In this report, TRIP looks at the top transportation numbers in Wisconsin as the state addresses its need to modernize and maintain its transportation network.

# Ten Key Transportation Numbers in Wisconsin

#1 Deficient roads cost Wisconsin drivers \$6 billion annually Substandard roads that lack needed safety features, are chronically congested or have poor pavements cost Wisconsin motorists approximately \$6 billion annually. The largest portion of this, \$3.2 billion, is due to additional vehicle operating costs such as accelerated depreciation, added repair costs, wasted fuel and tire wear that motorists incur by driving on inadequate roads. Traffic congestion wastes time and fuel and costs state motorists \$1.7 billion each year, while the financial cost of traffic crashes is estimated at \$1.1 billion.

# #2 Cost per driver of poor roads: \$2,072 in Madison and \$2,060 in Milwaukee

Inadequate roads cost the average driver in Madison \$2,072 each year in the form of extra vehicle operating costs, lost time and fuel while stuck in traffic jams, and the financial burden of crashes. The average Milwaukee motorist loses \$2,060 each year because of these factors.

### #3 2,743 were killed in Wisconsin traffic crashes

Wisconsin traffic fatalities totaled 2,743 from 2011–2015, increasing by 13%, or 62 deaths, from 2014 to 2015. It is estimated that roadway features, such as dangerous curves or inadequate lane width, are a contributing factor in approximately one-third of fatal traffic crashes.

### #4 Rural roads 2x as dangerous

The fatality rate on Wisconsin's non-Interstate rural roads in 2014 was 1.24 fatalities per 100 million vehicle miles of travel, more than double the fatality rate of 0.54 on all other roads in the state. Rural roads often have less forgiving hills, shoulders and curves than Interstate highways which are designed for greater volumes of traffic traveling at higher speeds.

# #5 Major roads in mediocre to poor condition: 42% Statewide, 68% Madison, 56% Milwaukee

Stagnant state and local funding has resulted in more than two-fifths of major roads and highways in Wisconsin having pavements in mediocre to poor condition, with high levels of substandard pavements in the state's two largest cities. Statewide, 42% of major roads are in mediocre to poor condition. In the City of Milwaukee, 56% of major roads have pavements in mediocre to poor condition. In Madison, 68% of major road pavements are in mediocre to poor condition.

# #6 \$264 billion in commerce outbound, \$236 billion in commerce inbound

Each year, \$264 billion in goods are shipped from sites in Wisconsin and another \$236 billion in goods are shipped to sites in Wisconsin. Eighty-two percent of the goods shipped annually from sites in Wisconsin are carried by trucks and another 14% are carried by courier services or multiple mode deliveries, which include trucking.

# **#7** 14% of Wisconsin bridges are in need of repair or modernization

Over 2,000 or 14% of the state's 14,085 bridges show significant deterioration or do not meet current design standards. Nine percent are classified as structurally deficient, meaning one or more of the key bridge elements, such as the deck, superstructure or substructure, is considered to be in poor or worse condition. And another five percent are functionally obsolete. These bridges don't meet current design standards.

# #8 Hours lost annually to congestion: 36 hours in Madison, 38 in Milwaukee

Every year, motorists lose priceless hours stuck in traffic. For the average driver, this amounts to 36 hours in the Madison area and 38 hours in Milwaukee region.

# #9 Average Wisconsin motorist pays \$274 in fees and taxes to drive

According to the Wisconsin Department of Transportation, the average motorist pays \$274 a year or approximately \$23 per month in registration fees and gas tax. This is lower than our neighbors in Illinois, Michigan, lowa and Minnesota.

# #10 1,393,428 full-time jobs tied to transportation-dependent industries

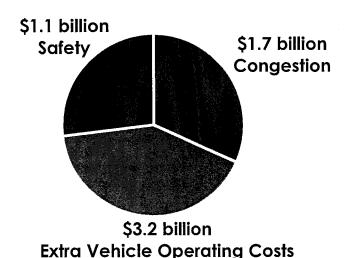
Wisconsin's economy is driven by manufacturing, agriculture and tourism, all industries reliant on a vibrant transportation system. These industries, plus retail sales and other transportation-dependent industries, account for almost 1.4 million jobs in Wisconsin, with \$54.8 billion in wages.

# #1 Deficient Roads Cost Wisconsin Motorists \$6 Billion Annually

Wisconsin's 4.2 million licensed motorists collectively pay a "hidden tax" of \$6 billion annually by driving on substandard roads.

Most expensive is \$3.2 billion in extra vehicle operating costs in the form of repairs, accelerated depreciation and increased fuel consumption and tire wear.

# Cost of Bad Roads: \$6 Billion



Time and fuel wasted while motorists are sitting in traffic jams account for \$1.7 billion in additional costs each year. For example, WisDOT reports that of 28 urban freeway and highway segments in the state, motorists traveling along only 8 of those segments could reliably reach their destinations in their expected travel time.

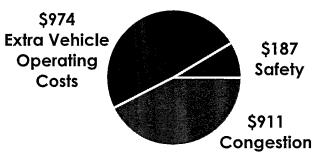
Finally, serious and fatal traffic crashes cost motorists \$1.1 billion annually, largely in lost productivity, medical costs and property damage.

# #2 Cost per Driver: \$2,072 Madison \$2,060 Milwaukee

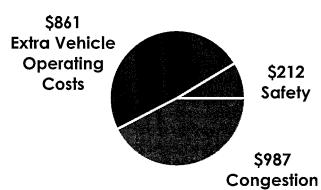
Bad roads cost the average driver in Madison \$2,072 each year in the form of extra vehicle operating costs, lost time and fuel while stuck in traffic jams, and the financial burden of crashes.

The average Milwaukee motorist loses \$2,060 each year because of these factors.

# Cost Per Driver: \$2,072 Madison



# Cost Per Driver: \$2,060 Milwaukee

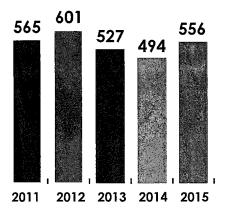


# #3 2,743 Traffic Fatalities from 2011-2015

From 2011–2015, 2,743 people died in traffic crashes in Wisconsin, including a 13% increase from 2014 to 2015.

Traffic engineers generally cite three factors associated with fatal vehicle crashes—driver behavior, vehicle characteristics and roadway features.

# Traffic Fatalities in Wisconsin from 2011–2015



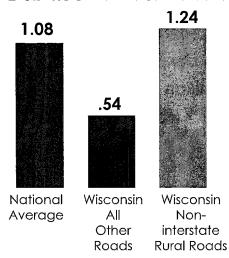
Source: WisDOT

It is estimated that roadway features are likely a contributing factor in approximately one-third of fatal traffic crashes. Highway improvements can reduce traffic fatalities and crashes while improving traffic flow to help relieve congestion. Such improvements include removing or shielding obstacles; adding or improving medians; improved lighting; adding rumble strips, wider lanes, wider and paved shoulders; upgrading roads from two lanes to four lanes; and better road markings and traffic signals.

# #4 Wisconsin Rural Roads 2x as Deadly as Other Roads

The most dangerous roads in Wisconsin in terms of fatalities are rural two-lane roads that are less forgiving to motorists because they have narrow or no shoulders, dangerous hills and curves, and short clearance space for vehicles that leave the roadway.

### 2014 Fatalities Per 100 Million VMT



In fact, the fatality rate on Wisconsin's non-interstate rural roads in 2014 was more than double that on all other roads in the state (1.24 fatalities per 100 million vehicle miles of travel vs. 0.54).

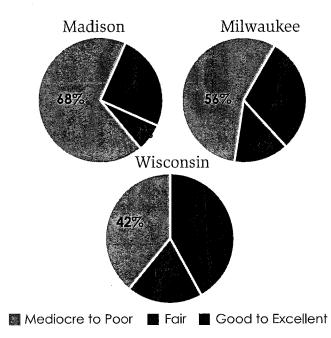
The severity of serious traffic crashes could be reduced through roadway improvements, where appropriate, such as adding turn lanes, removing or shielding obstacles, adding or improving medians, widening lanes, widening and paving shoulders, improving intersection layout, and providing better road markings and upgrading or installing traffic signals.

Roads with poor geometry, with insufficient clear distances, without turn lanes, having inadequate shoulders for the posted speed limits, or poorly laid out intersections or interchanges, pose greater risks to motorists, pedestrians and bicyclists.

# #5 42% of Wisconsin's Major Roads in Mediocre to Poor Condition

TRIP examined Federal Highway Administration (FHWA) pavement data for all arterial and collector roads and highways that are under the jurisdiction of both state and local governments.

### **Road Conditions**



This data is submitted annually to FHWA by WisDOT.

Statewide, 42% of Wisconsin's major local- and state maintained roads and highways are in mediocre to poor condition, meaning they are showing significant signs of deterioration such as rutting, cracks and potholes.

In some cases, poor roads can be resurfaced, but often are too deteriorated and must be reconstructed.

In the state's two largest cities, 68% of major roads in Madison are in mediocre to poor condition, while 56% of roads in Milwaukee are in mediocre to poor condition.

## #6 \$264 Billion in Product Shipped from Wisconsin

Each year, \$264 billion in goods are shipped from sites in Wisconsin and another \$236 billion in goods are shipped to sites in Wisconsin.

Eighty-two percent of the goods shipped annually from sites in Wisconsin are carried by trucks and another 14 percent are carried by courier services or multiple mode deliveries, which include trucking.

# Wisconsin Industries with Largest Percentage Output Growth, 2005-2030

(\$ billions, 1992 dollars)

2005	2030	% growth
457.0	41555	
\$57.3	\$155.5	1.71
13.4	35.0	160
4.4	10.7	123
5.8	12.7	118
10.7	20.8	94
16.3	30.8	89
1.3	2.5	86
3.6	6.6	84
5.0	9.1	84
7.3	13.0	79
	\$57.3 13.4 4.4 5.8 10.7 16.3 1.3	\$57.3 \$155.5 13.4 35.0 4.4 10.7 5.8 12.7 10.7 20.8 16.3 30.8 1.3 2.5 3.6 6.6 5.0 9.1

\*m=manufacturing s=service o=other

Source: WisDOT Connections 2030 Final Report

Companies are increasingly seeking to minimize transportation and logistics costs to stay competitive in national and international markets. That's why reliable highway access consistently ranks among the key factors businesses consider in making relocation or expansion decisions.

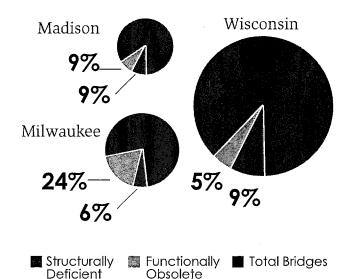
Regions with congested or poorly maintained roads may see businesses relocate to areas with a smoother, more efficient and more modern transportation system.

# #7 14% of Wisconsin Bridges in Need of Repair or Modernization

Fourteen percent of bridges in Wisconsin show significant deterioration or do not meet current design standards.

A bridge is structurally deficient if there is significant deterioration of the bridge deck, supports or other major components. Structurally deficient bridges are often posted for lower weight or closed to traffic, restricting or redirecting large vehicles, including commercial vehicles, agricultural and forestry equipment, and emergency services vehicles.

### **Bridge Conditions**



Bridges that are functionally obsolete no longer meet current highway design standards, often because of narrow lanes, inadequate clearances or poor alignment.

Each day in Wisconsin, there are millions of crossings on bridges classified as either structurally deficient or functionally obsolete. These classifications do not imply the bridges are unsafe, but it does mean these bridges need to be inspected, monitored, maintained, and eventually replaced.

# #8 Hours Lost to Congestion: 36 Madison, 38 Milwaukee

Increasing levels of congestion cause significant delays in Wisconsin, particularly in the larger urban areas.

For the average driver, this amounts to lost hours—36 hours each year in the Madison area and 38 hours each year in Milwaukee region.



The value of lost time and wasted fuel in Wisconsin is approximately \$1.7 billion a year. The annual cost to the average driver is \$911 in Madison and \$987 in Milwaukee.

In August of 2015, a press release from the Texas A&M Transportation Institute (TTI) announced, "America's traffic congestion recession is over. Just as the U.S. economy has regained nearly all of the 9 million jobs lost during the downturn, a new report produced by INRIX and TTI shows that traffic congestion has returned to prerecession levels."

Like the rest of the nation, Wisconsin vehicle travel has rebounded with the economy and the lower price of gas. Vehicle miles traveled in Wisconsin grew 4.2 percent in 2015, exceeding the national growth rate of 3.5 percent.

# #9 \$274 Annual Cost to Drive

The average motorist pays \$274 a year or approximately \$23 per month in registration fees and gas tax according to the Wisconsin Department of Transportation.

# ANNUAL COST TO DRIVE Compared to Our Neighbors

Registration Fees and Motor Fuel Taxes



Source: Wisconsin Department of Transportation

\*An estimated \$404/year in 2017. Michigan passed a funding package in November 2015 which increases the gas tax by 7.3 cents per gallon and the registration fee by 20% in 2017.

This is lower than our neighbors in Illinois, Michigan, Iowa and Minnesota.

With many of the nation's interstates over 50 years old, the federal government and states across the nation are wrestling with how to pay for rebuilding these corridors of commerce while maintaining the rest of the transportation system. Since late 2012, 23 states have passed legislation with recurring state transportation funding, with 16 states passing user fee increases.

# #10 1.4 Million Jobs

Wisconsin is a national leader in manufacturing, agriculture and tourism, all industries reliant on a safe, efficient transportation system.



These industries, plus retail sales and other transportation-dependent industries, account for almost 1.4 million jobs in Wisconsin, with \$54.8 billion in wages.

Each year, *Area Development* magazine asks U.S. corporate site selectors and CEOs to rank the most important site selection factors. Consistently, highway accessibility ranks as a top consideration. This is not surprising as transportation can range from 50-80 percent of supply chain costs.

## Conclusion

As Wisconsin works to build and enhance a thriving, growing and dynamic state, it will be critical that it is able to address the state's most significant transportation issues by providing a 21st century network of roads, highways, bridges and transit that can accommodate the mobility demands of a modern society.

Wisconsin will need to modernize its surface transportation system by improving the physical condition of its transportation network and enhancing the system's ability to provide efficient, safe and reliable mobility for residents, visitors and businesses. Making needed improvements to the state's roads, highways, bridges and transit systems could provide a significant boost to the economy by creating jobs in the short term and stimulating long-term economic growth as a result of enhanced mobility and access.

While modest federal funding increases provided by the latest surface transportation bill will be helpful, numerous projects to improve the condition and expand the capacity of Wisconsin's roads, highways, bridges and transit systems will not be able to proceed without a substantial boost in state or local transportation funding. If Wisconsin is unable to complete needed transportation projects it will hamper the state's ability to improve the condition and efficiency of its transportation system or enhance economic development opportunities and quality of life.

### **Sources**

For discussion of methodology and sources, see the complete Wisconsin Transportation by the Numbers report on the TRIP website, www.tripnet.org.



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## Wisconsin roads third-worst in nation, study finds

Karen Madden, USA TODAY NETWORK-Wisconsin Published 4:54 p.m. CT April 25, 2015 | Updated 9:39 p.m. CT April 25, 2015



(Photo: Megan McCormick/News-Herald Media)

Wisconsin's roads are the third-worst in the nation and the potholes and other problems that plague them cost drivers in some cities almost twice the national average in repairs and associated costs, according to a new study of the state's highway system.

The numbers mark a dramatic decline in road quality. As recently as 11 years ago, Wisconsin's roads ranked No. 22 in the nation, and their deterioration affects almost every industry and motorist in the state, according to the study commissioned by the Local Government of Wisconsin Institute.

Poor roads in the Milwaukee area cost drivers \$700 a year in extra vehicle repairs, according to the study; in the Madison area, road conditions cost drivers an additional \$615 in annual tire wear, maintenance and

accelerated deterioration. Nationally, substandard road conditions cost drivers an average of \$377 per year, the study found.

The primary culprit: State budget cuts that have slashed the amount of money dedicated to repairing both state highways and local roads, which has left fewer than half of Wisconsin's roads rated as "good" or better, the report found.

The numbers come as no surprise to Emily Wattson, a 48-year-old Wisconsin Rapids woman who recently hit a pothole in Rudolph and wrecked the suspension on her 2008 car.

"I paid more than \$500 to get it fixed," Wattson said. "It threw the car out of alignment, ruined a tire and did some other stuff.

"I don't think anybody is doing anything about the roads."

Bad roads hurt manufacturing, farming and transportation, three industries that are vital to Wisconsin's economy, according to the Local Government Institute study entitled Filling Potholes: A New Look at Funding Local Transportation in Wisconsin. The group is a coalition of members of the Wisconsin Counties Association, League of Wisconsin Municipalities, Wisconsin Towns Association and Urban Alliance.

The study found that if the state's roads aren't brought back into good condition, it could harm Wisconsin's struggling economy, which is rebounding from the Great Recession more slowly than other states in the Midwest. Companies that are considering moving to Wisconsin could choose to relocate in states with better infrastructure that doesn't cost them as much in annual repairs.

The Local Government Institute took up the issue of Wisconsin's transportation system because it's a big issue at all levels of government, said Wausau Mayor Jim Tipple, a member of the institute's board of directors. The Local Government Institute was created to improve local governments and the services — such as road construction and maintenance — that they provide, Tipple said.

The study found several steps that can be taken to fix the roads without endorsing any one of them, Tipple said.

In the end, it's probably going to be a combination of things that solves the problem, Wood County Board Chairman Lance Pliml said. Pliml, another member of the institute's board of directors, said the biggest issue is state cuts to road repair. It's not likely the problem is going to get any better with the state's next biennial budget, Pliml said.

"The early estimates are that transportation will have a \$650 million shortfall," Pliml said.

http://www.wisconsinrapidstribune.com/story/news/local/2015/04/25/wisconsin-roads-third-worst-nati... 12/14/20

Wisconsin roads third-worst in nation, study finds

Page 2 of 2

visconsin spends about \$15,500 on repair and maintenance per road mile, according to the study. The average in the United States is \$17,800 per road mile. Illinois spends \$24,200 per road mile, but Iowa, Michigan and Minnesota all spend less than Wisconsin. Iowassississidates country at \$8,900 per road mile.

(HTTP://OFFERS.WISCONSINRAPIDSTRI

Celebrate Together This Season \$29/YR

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The study isn't a surprise, said Peg Schmitt, Wisconsin Department of Transportation spokeswoman. DOT officiation to officiation the problem of the aging infrastructure. State highways and local roads need investment, she said.

Currently, the state is budgeting 27 percent of the transportation funds it receives for local governments' roads, Schmitt said. The number includes a 4 percent increase state officials made to local road aids in the last budget, Schmitt said.

In 1993, the state dedicated 36.2 percent of road revenue for local governments, Pliml said.

State Sen. Jerry Petrowski, R-Marathon, is chairman of the Committee on Transportation and he thinks Wisconsin's roads still are in better condition than those of its neighbors.

Petrowski does agree with the report on one count: As cars and trucks have become more efficient over the past 20 years, drivers are buying less and less fuel. That means the state takes in less and less revenue from gasoline taxes.

Petrowski said he and his colleagues need to consider one option the study proposed: returning to an indexed gas tax that automatically goes up or down with the price of fuel, to ensure that revenues remain relatively constant.

The state also could make vehicles subject to property tax, as Mississippi now does, according to the study. Under that proposal residents who receive property tax bills for homes and other property would have their vehicles included in the assessment amount, generating more tax money for roads.

The study also suggests forming regional transportation groups that could work together on fixing roads and funding public transportation to benefit from economies of scale. The state could encourage the cooperative groups by giving them additional funding, according to the study.

One partial fix on the horizon is the recently adopted constitutional amendment that requires all funding collected for transportation to be used for transportation, Petrowski said. That should pump at least some money back into infrastructure.

Meanwhile, Tipple said that local officials and others who believe roads are a problem should contact their state legislators and tell them the problem needs to be a priority in the state budget now being negotiated.

You can contact reporter Karen Madden at 715-423-7200, ext. 6729, or follow her on Twitter @KMadden715

#### On the web

A complete copy of "Filling Potholes: A New Look at Funding Local Transportation in Wisconsin" can be found at www.localgovinstitute.org.

Read or Share this story: http://wrtnews.co/1GtPHsA

Scott Paterick, FICF, LUTCF, CLU, ChFC PO Box 422, Wisconsin Rapids, WI 715-424-1873 | Scott.S.Paterick@mwarep.org

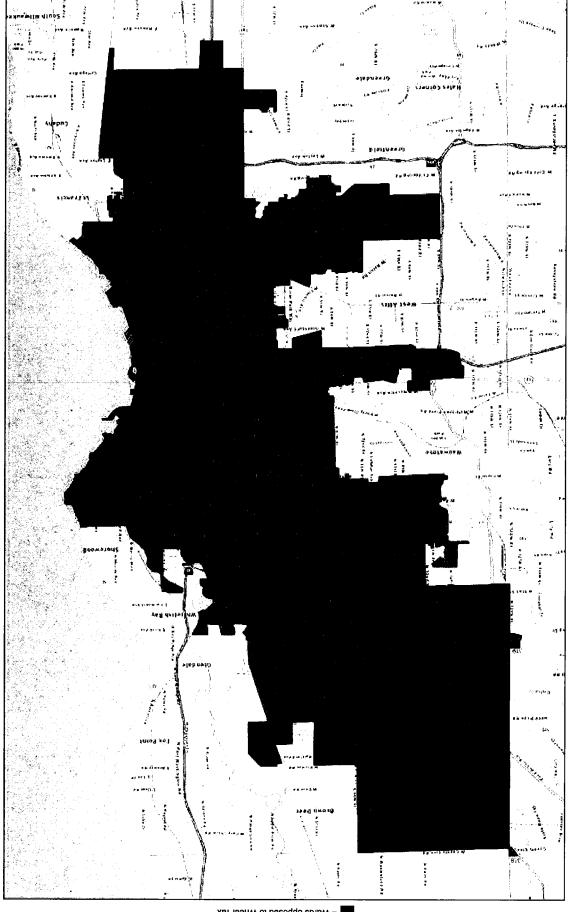
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Milwaukee (	County Supe	ervisor District #	2		
District Re	presented	by Supervisor	Sequanna Taylor		
Municipality	Ward	Yes on \$60 Wheel Tax	No on \$60 Wheel Tax	Total Votes	Percent Opposed
Milwaukee	3	86	166	252	65.9%
Milwaukee	4	73	257	330	77.9%
Milwaukee	12	10	116	126	92.1%
Milwaukee	14	26	116	142	81.7%
Milwaukee	15	21	139	160	86.9%
Milwaukee	16	36	172	208	82.7%
Milwaukee	17	16	88	104	84.6%
Milwaukee	18	36	118	154	76.6%
Milwaukee	19	3	49	52	94.2%
Milwaukee	23	1	30	31	96.8%
Milwaukee	24	2	13	15	86.7%
Milwaukee	25	10	61	71	85.9%
Milwaukee	26	16	73	89	82.0%
Milwaukee	28	5	11	16	68.8%
Milwaukee	29	1	28	29	96.6%
Milwaukee	44	5	101	106	95.3%
Milwaukee	45	7	74	81	91.4%
Milwaukee	46	6	46	52	88.5%
Milwaukee	47	6	64	70	91.4%
Milwaukee	48	10	52	62	83.9%
Milwaukee	49	3	64	67	95.5%
Milwaukee	50	6	48	54	88.9%
Milwaukee	66	12	51	63	81.0%
Milwaukee	67	5	51	56	91.1%
Milwaukee	68	22	128	150	85.3%
Milwaukee	69	6	96	102	94.1%
Milwaukee	70	18	127	145	87.6%
Milwaukee	71	9	84	93	90.3%
Milwaukee	98	16	90	106	84.9%
Total		473	2513	2986	84.2%

# April 4, 2017 City of Milwaukee Advisory Referendum: Raise Wheel Tax to \$60 Overall vote was 72.2% opposed to 27.8% in favor

= Wards in favor of Wheel Tax

= Wards opposed to Wheel Tax





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: Assembly Committee on Ways and Means

From: Curt Witynski, J.D., Assistant Director, League of Wisconsin Municipalities

Date: December 14, 2017

Re: AB 361, Requiring a Referendum to Enact or Continue to Implement a Local

Vehicle Registration Fee

The League of Wisconsin Municipalities strongly opposes AB 361, requiring a local referendum to impose or continue to implement a local vehicle registration fee. We urge the committee to reject this unnecessary interference into policy decisions made by local elected officials. We urge the committee to trust that locally elected officials will make the best decisions they can to adequately fund street maintenance and repair for the safety and betterment of their communities. We further ask that you trust local voters to take action at the spring elections if they are dissatisfied with the enactment or implementation of a local vehicle registration fee.

In addition, we urge the committee to keep the following points in mind with regard to this bill:

- Neither the establishment of nor increases to the state's vehicle registration fee are subject to referendums.
- The establishment by a county of a local sales tax is accomplished by a vote of the county board and does not require a referendum.
- Total sales tax revenue collected by counties in 2015 equaled \$344 million.
- The establishment of a local room tax does not require a referendum.
- Total statewide local room tax revenues in 2015 equaled \$89 million.
- Total local vehicle registration fees collected by local governments in 2015 equaled \$10.7 million.
- Even if a \$10 local vehicle registration fee was imposed on every vehicle statewide the total amount collected would be \$46.2 million.
- Besides the room tax, the revenues of which go primarily to fund tourism promotion and development, the local vehicle registration fee is the only local revenue option available to cities and villages to help fund transportation needs.
- Currently, only 25 cities, villages, towns and counties impose a wheel tax. That's 1.32 percent of the 1,900 local governments eligible to enact a local vehicle registration fee.
- Three local governments, Mayville, St. Croix County, and Milwaukee have had their local vehicle registration fee in place since at least 2009 and under this bill would be required to have those fees approved by the voters in a referendum.

We urge the committee to continue its work on looking at state and local taxation in a broad, holistic way and to not pass legislation like AB 361, which focuses on only one narrow, minor component of the system. We urge you to vote against recommending passage of AB 361.



### a community since 1838

## Office of the City Administrator

To:

Wisconsin State Legislators

CC:

Milton Common Council

From:

Al Hulick, City Administrator

Date:

December 14, 2017

**Subject:** 

Assembly Bill 361 - Wheel Tax Referendum

I am writing on behalf of the City of Milton to request you vote "no" to Assembly Bill 361 requiring all communities to go to referendum in order to enact or keep their local vehicle registration fee (wheel tax).

The City of Milton adopted a local vehicle registration fee in 2016. This action was taken in direct response to diminishing state resources and expenditure and levy restraints placed by the State on our community. It was no longer sustainable to repair our infrastructure with the diminishing transportation aid from the State, and no ability to increase revenues to offset the loss in State aid.

The City of Milton has been, and will continue to be excellent stewards of tax payer's dollars. The City of Milton has the lowest mil-rate of any other City in Rock County. We have every intention to continue that trend. In fact, the local vehicle registration fee costs the average home owner in the City of Milton less, than it would if we were to levy for an identical amount. Additionally, we have begun to aggressively pay down our outstanding debt, while not issuing new debt, as to not circumvent the levy limit and drive up costs the with more interest expenses. Lastly, with our local vehicle registration fee, we have implemented a preventative maintenance plan for our roadways to help keep the cost of infrastructure improvements lower and more efficient over the long run. To retroactively punish us now, would be completely counter to all of the proactive, cost cutting measures we have already implemented.

We understand the constraints and challenges the State is currently facing with their budget deliberations. However, this proposed action has nothing to do with the State budget. This is a matter of stripping local municipalities of local control.

Therefore, we respectfully ask that you vote against Assembly Bill 361, which will only make it more difficult for local municipalities to govern themselves.

Thank you for your time and consideration,

Al Hulick

City Administrator

### **Al Hulick**

From:

Al Hulick

Sent:

Friday, July 21, 2017 11:27 AM

To:

'Rep.Vruwink'; 'Rep.Kolste@legis.wisconsin.gov'; 'Sen.Ringhand@legis.wi.gov';

'Rep.Kolste@legis.wisconsin.gov'

Subject:

FW: Opposition To Assembly Bill 361 ~ City of Milton

#### Good morning all.

I'd like to take a moment to respond to some of Senator Nass's comments below. I understand and respect where the Senator is coming from, and know that his views will not be changed on this issue. And that's okay. However, I'm still hoping to appeal to the rest of our legislative friends in Madison.

As stated, I respect Senator Nass's position on this matter, but disagree with his ideology and conclusions on several points. Additionally, I think there is a larger underlying concern for local control, and this piece of legislation is another fissure in a local municipalities ability to responsibly govern.

First, I absolutely believe this bill is a direct erosion of local control. Whether the state gives local governments a tool, or takes one away, it is still the State that is issuing those edicts and thus usurping control from the local governments. I agree the State created the "wheel tax" statute, and thus can take it away. However, local governments are not allowed to create a similar fee on their own, because of state imposed regulations. If local governments were allowed to simply create a local vehicle registration fees, without the states involvement, we would. But that is not allowed.

This is part of the larger issue regarding the erosion of local control. Levy limits, user fee restrictions, expenditure restraint, etc. are all provisions imposed by the State onto local municipalities. These mandates directly impact our ability to effectively and responsibly govern at the local level. The "wheel tax" debate would not even be necessary, if we were simply allowed to levy the funds necessary to appropriately fund our transportation needs. Nor would we need to be so reliant on state transportation aids.

Secondly, in regards to the referenced tax/burden to our residences, the local vehicle registration fee is actually a more cost effective approach than the alternatives available to us. At this time, to raise funds commensurate to the local vehicle registration, the City of Milton has two alternatives: levy additional funds or borrow. The City of Milton local vehicle registration fee (\$30) is projected to generate \$165,000 annually. Therefore, to levy that amount would result in a \$72 increase to the average home owner in Milton, as opposed to the \$60 (\$30 x 2 cars) the average home owner would see with the local vehicle registration fee. Alternately, if we were to borrow for \$165,000 annually, we would be incurring borrowing, issuance, and interest costs, which would inherently drive up the cost to the tax payer.

Lastly, I agree that referendums are the most direct form of democracy. However, we live in a representative democracy, in which duly elected officials are elected by the populous to make decisions on their behalf. In the case of Milton, the local vehicle registration fee was passed, unanimously, by six duly elected officials. It was not an executive order or administrative edict. It was a decision, that was not taken lightly, made by our elected officials because they understood the constraints we are under and felt it was the best course of action for our community.

By the Senator's ideology, all taxes and fees should be approved by referendum. Including the State's very own vehicle registration fee. Although that might sound good on the surface or in a Facebook post, the reality of it is much more complicated, messy and dangerous for local and state governments. Public policy decisions are, by their very nature, complex. Representatives meet routinely, can study, analyze and deliberate issues before making their decision. Referendums, by definition, require a simplified "yes" or "no" vote and are a one-time only opportunity to decide. This is not intended to be a defense of "elitism" or the "hubris of experts." Rather, it is an acknowledgment that

these issues are a full-time responsibility of public and elected officials to deliberate and come to an informed decision. Elected Officials are then held accountable by the voters and can be removed from office if they disagree with those decisions. Additionally, referendums unfortunately polarize opinions and sharpen divisions among communities. As decisions become polarized, they often stray from the original merits of their construct and become emotional and no longer fact based. Under these situations, everyone loses.

Again, it is not my intent to grandstand to our State legislators on these matters. My intent is merely to provide a perspective of how these types of policy decisions often do not provide the intended result and can often lead to greater problems for all.

I apologize for the lengthiness of my reply and thank you all for your time and consideration on this matter. As always, please feel free to contact me directly with any questions, comments, or concerns you have regarding this matter.

#### Al Hulick | City Administrator

City of Milton | 710 S. Janesville St. | Milton, WI 53563 608.868.6900 | www.milton-wi.gov



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From: Sen.Nass [mailto:Sen.Nass@legis.wisconsin.gov]

Sent: Thursday, July 20, 2017 5:08 PM To: Al Hulick <AHulick@milton-wi.gov>

Cc: Dan Nelson <dnelson@milton-wi.gov>; Witynski@lwm-info.org; gsumi@lwm-info.org; Anissa Welch <a href="mailton-wi.gov"><a href="mailton-wi.gov">

Subject: RE: Opposition To Assembly Bill 361 ~ City of Milton

Thank you for sharing your views regarding AB 361, relating to the Wheel Tax and a referendum requirement. I am a cosponsor of this bill and support the right of citizens through a referendum to determine if their municipality should be authorized to collect this tax.

The Wheel Tax isn't strictly a local policy decision. The Wheel Tax and how it works is a creation of state statute (ss. 341.35). As you know, state statutes are created, amended and repealed by the legislature and signed into law by the governor. I respectfully disagree with any inference that the legislature is somehow usurping local control by amending an existing state statute. Further, many citizens would certainly argue that binding referendums are the most direct form of local control.

AB 361 still allows for the enactment and continuation of wheel taxes by local governments, but it reasonably grants the final decision to the people that will pay the tax...the voters of each community. I am confident that local officials can develop plans and communicate the benefits of their Wheel Tax proposal to the voters. I am equally confident that the voters can make a reasoned decision through a referendum.

While we may disagree on this bill, I certainly understand and appreciate the challenges that local governments face in addressing the needs of their communities. However, all elected officials must also recognize the tremendous tax/fee burden that impacts our constituents every day.

### Sincerely,

Steve Nass Senator 11<sup>th</sup> State Senate District (608) 266-2635

From: Al Hulick [mailto:AHulick@milton-wi.gov]

Sent: Thursday, July 20, 2017 1:34 PM

To: Sen.Nass < Sen.Nass@legis.wisconsin.gov >; Sen.Ringhand < Sen.Ringhand@legis.wisconsin.gov >; Rep.Vruwink

<Rep.Vruwink@legis.wisconsin.gov>; Rep.Kolste <Rep.Kolste@legis.wisconsin.gov>; Rep.Loudenbeck

<Rep.Loudenbeck@legis.wisconsin.gov>

Cc: Nelson, Daniel B - MUN <dnelson@milton-wi.gov>; Witynski@lwm-info.org; gsumi@lwm-info.org; Anissa Welch <AWelch@milton-wi.gov>; Dave Adams <DAdams@milton-wi.gov>; Jeremy Zajac <izajac@milton-wi.gov>; Larry Laehn <Laehn@milton-wi.gov>; Lynda Clark <LClark@milton-wi.gov>; Ryan Holbrook <RHolbrook@milton-wi.gov>; Theresa Rusch <TRusch@milton-wi.gov>

Subject: Opposition To Assembly Bill 361 ~ City of Milton

### Good afternoon State Legislators:

Please find the attached letter regarding the City of Milton's opposition to Assembly Bill 361. Please feel free to contact me directly with any comments, questions, or concerns regarding this piece of legislation or our concerns.

Thank you all for you time and consideration.

#### Al Hulick | City Administrator

City of Milton | 710 S. Janesville St. | Milton, WI 53563 608.868.6900 | www.milton-wi.gov



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### Gregg Moore, County Board Chair

Eau Claire County Board of Supervisors 721 Oxford Avenue, Room 3520 Eau Claire, WI 54703-5481

Phone: 715-839-5106 Fax: 715-839-6243 gregg.moore@co.eau-claire.wi.us



December 12, 2017

Re: AB 361

Dear Members of the Assembly Committee on Ways and Means:

I am writing to express my strong opposition to Assembly Bill 361, which would require a local referendum to impose a municipal or county vehicle registration fee. In addition to serving as Chair of the Eau Claire County Board, I am also chair of the Wisconsin Counties Association's Board of Directors.

As an elected local government representative for the past 14 years, I have seen numerous state restrictions placed on local elected officials' ability and authority to make decisions that they think are in the best interest of the citizens of the local community.

Given (a) the state's existing statutory levy caps and (b) the importance of roads and bridges to local economies and communities, I believe it is unwise for the state to impose this barrier of a mandated referendum on local elected representatives. Although Eau Claire County has not yet adopted a county vehicle registration fee (AKA wheel tax), I believe it is a policy option that should remain open to county board supervisors. County and municipal elected officials are the ones responsible for adopting balanced budgets that meet urgent local needs.

I believe it is appropriate and important that elected county and municipal representatives retain the authority they currently have regarding the possible adoption of a wheel tax. It is a revenue source that is use-related, would reduce the need for borrowing, and is easy and inexpensive to implement and operate. Please let our local officials retain that reasonable discretion to decide whether a local vehicle registration fee is in the best interest of their local community.

Thank you for your thoughtful consideration of my testimony.

Sincerely,

Gregg Moore

Gun Thorn

Chair, Eau Claire County Board of Supervisors

Chair, Wisconsin Counties Association



### www.iowacounty.org

December 14, 2017;

Ways and Means Committee:

Ref.: Hearing on AB361 Local Referendum Requirements to Adopt a Wheel Tax.

Good morning Ladies and Gentleman of the Ways and Means Committee. Thank You for the opportunity to speak with you at this hearing with regards to the proposed AB361 bill which would require a local referendum to adopt a vehicle registration fee (Wheel) tax. I am opposed to changes to the current statutory language within Wisconsin State Statutes 341.35, which gives a governmental entity (city, village, town or county) authority to enact an annual flat registration fee by adoption of an ordinance. Requiring a referendum infers the public is not being heard or is upset about an issue.

In December of 2008 I began employment as the Highway Commissioner of Iowa County. In 2009, the County returned \$325K of unused LRIP CHIPD funds to the region due to an inability to come up with the local matching funds to utilize the monies within the program rules and timelines. During my first 6 months in office there was a lot of discussion of the highway department operations, planning, functions, funding, services provided, and revenue sources; which is probably common with a change in management. This discussion culminated with a 165+ page historical operations report to the County Board on the Iowa County Highway Department functions covering all aspects of operations from capital infrastructure investment, system preventative maintenance, system routine maintenance, reactive/winter maintenance, equipment service life and replacement, buildings / grounds / facilities, administrative staff operations, and sources of funding / revenue. This operations report took 18 months to compile, review, discuss, and understand by the decision makers on the County Board through monthly committee meetings, open to the public but seldom attended by.

The report identified a decade long dis-investment in the county infra-structure network; as a result of tax levy cuts, revenue decreases, and rising costs. In 1999, the County annually resurfaced almost 9 miles of county trunk highway a year in its' capital improvement program. By 2014, that program had fallen to a little under 2 miles per year. With 365 miles of infra-structure to maintain, these amounts represent a replacement/service life of once every 42 (9/365/year) years in 1999 declined to once in 182 (2/365/year) years in 2014; and was not sustainable. So, County Board researched options to create investment in the county's largest asset – the road network. The two primary alternatives available are to increase property taxes (an all resident tax), which also has been capped by legislature to net new construction; or adopt a vehicle registration fee ordinance (a user fee). Placing a referendum requirement on this statutory law will reduce if not eliminate the options available to the local decision makers; the voter-elected County Board Supervisors to balance the needs of their annual budgets.

In September of 2014, as a part of the annual budgeting process; the County Board considered enacting a vehicle registration fee ordinance to fund capital improvement projects on the highway system. The process required several County Board Committee meetings along with consecutive monthly hearings at the September, October, and November County Board meetings and Budget hearing. Through all of

these public meetings over the course of 4 months there was no opposition from the public, and no one from the public spoke on the issue at any of the meetings. At the County Board level, both votes to adopt the ordinance were unanimous with a 20 to 1 vote in favor.

After adoption of the ordinance, the Highway Department received 15 calls per month questioning the fees as notices were mailed out to residents by the state. In all, about 150 calls were fielded for the 20,000+ registrations in the county over the first year; since the first year there have been few calls. Most callers respond they are fine with the fees, once they know what they are used for reinvestment in the road and bridge infra-structure capital program. Since adoption in 2014 and collections started in February of 2015, Iowa County has taken in \$1.2M in fees from county residents. The County has utilized the funds to match LRIP CHIP/CHIPD, and STP improvement dollars to complete \$4.82M in projects between 2015 and 2017. These projects would not have been undertaken without the local matching dollars investment from the vehicle registration fees collection. It would be nice to share that burden with other users of the system through some other funding mechanism, but those options do not exist at the county level.

I am opposed to changes in the language within statute 341.35 regarding requiring a referendum of the voters in a jurisdiction prior to adopting an ordinance. Existing language within 341.35 restricts fees acquired to be solely for the intended purposes which are "341.35 (6r) USE OF FEE PROCEEDS. Any municipality or county receiving moneys under sub. (6) shall use the moneys only for transportation related purposes.". This caveat provides adequate protections of the general public and taxpayers with regards to restricting the purposes for the collection and use of the fees.

Had a voter referendum been required to adopt the vehicle registration fees, the County Board would not have had the option of balancing funding for projects and services with the annual budget process. Within five months of adoption, the spring biennial county board elections were held (which is also a referendum of sorts) and none of the incumbents were voted out of office or had their seats contested based on their decision to create a vehicle registration fee ordinance, which was approved on a 20-1 vote by the Board.

It would have been difficult to convey an understanding of the funding mechanisms and previous policies of County decisions which led to a decade long disinvestment in the highway infra-structure to the voting public of the county through a referendum process. I feel the public citizens have ample opportunity to voice their concerns or opposition on matters to their board representative prior to the votes being called or action taken by the Board. I point out Iowa County is divided into 21 County Board districts (a ratio of one board member per +/-1000 residents), so citizens of the county have a representative who is more of a neighbor than other offices or positions in government. Their representative works, lives, and serves in the jurisdiction and is more accessible to them on a daily basis than other government offices – local. Adoption of the fee as an ordinance at the local level requires two hearings or reviews of the board prior to adoption. The county board meets on a monthly basis to discuss these topics, in addition to various committee meetings. This process provides a sixty day window for the public to voice their concerns to their representatives on a one on one basis individually. In addition, all citizens are provided an opportunity to speak to the Board as a whole at the onset of each monthly county board meeting when a public comment session is provided.

The locally elected County Board decision makers need options to consider when balancing their available funding sources with the needs of their citizens, which is a print of the print of

Respectfully Submitted; Craig E Hardy Iowa County Highway Commissioner

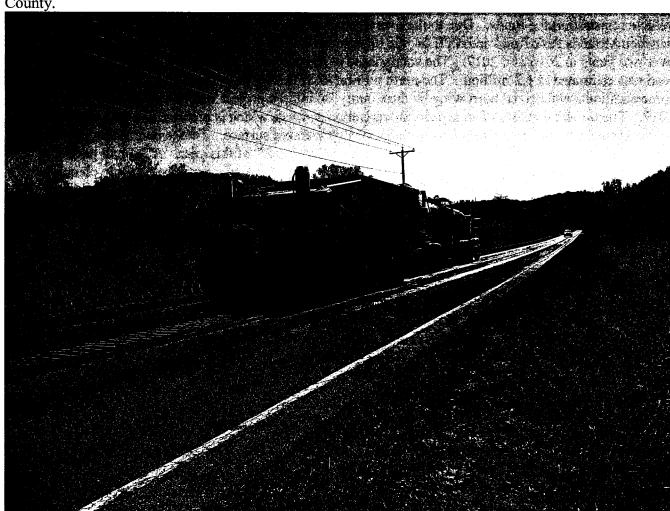


### www.iowacounty.org

#### Letter to the Editor:

### WHERE HAVE ALL OF THE VEHICLE REGISTRATION FEE DOLLARS GONE?

In 2009, the Highway Department refunded \$350,000 of local road improvement dollars back to the state region due to not having the local cost share matching funds to utilize the monies in the timeframe allowed by program rules. Those funds are provided to the county through various cost share mechanisms of the state highway fund; however, additional local funds must also be allocated to utilize them. In 2003, the funds were awarded to the county for an improvement project but at the program's sunset date six years later (2009); the department was not able to utilize the funding due in part to a lack of matching funds. The \$350,000 dollars was returned to the region to be re-distributed to another local county which could come up with the minimum matching dollars of \$350,000, which went to Columbia County.



IN November of 2014, the Iowa County Board of Supervisors adopted a \$20/vehicle registration fee tax in compliance with state statute 341.35 authority. The decision was based upon a backlog of projects requiring improvement and repairs beyond general maintenance dollars. Cost share matching funds were available to assist with funding the projects, but the county needed a source of funds for the cost share portion. Adoption of a vehicle registration fee was estimated to generate \$430,000 on an annual basis. This funding was to be leveraged by the highway department against other state-federal funding to complete improvements to 5 bridge projects on CTH E, HK, G, Y, and HH along with three road projects on CTH E, K, and QQ. The estimated total costs for those projects was 6.1 million dollars.

In 2015, the first project was undertaken with vehicle registration fee dollars on CTH QQ between STH 39 and STH 39 in Mineral Point township. This project was an asphalt pulverization and pavement replacement project completed at a cost of \$747,000 for just under three miles. In 2016, the department completed work located on CTH E in Mifflin township a bridge and roadway improvement project and on CTH HK in Moscow township a bridge replacement project. The costs for the CTH E bridge replacement and 0.3 miles of CTH E approaches in Mifflin were \$1.8 million dollars. The costs for the CTH HK bridge replacement were \$585,000. In total, since adoption of the vehicle registration fee for projects completed in 2015 and 2016; the department has funded \$3.132 million in road and bridge improvements. The vehicle registration fees have accounted for \$824,000 (26%) of the funding. \$1.91 million (61%) of state and federal cost share dollars have been utilized. And, the balance of \$400,000 (12.8%) has been funded through annual highway appropriations and the highway fund balance. For every dollar of vehicle registration fee dollars utilized the department has leveraged another three dollars from other cost share sources to complete the projects.

On October 2<sup>nd</sup> of this year, the Iowa County highway department undertook its' fourth project utilizing vehicle registration fee funds. Due to the overall costs of the CTH K pavement resurface project between Mounds Park Road and STH 14, the department had initially intended to perform the project over two years in 2016 and 2017. The south phase of the project from Mounds Park to Knight Hollow road was estimated at 1.2 million. The north portion to STH 14 was estimated at \$575,000. Due to some additional authorized borrowing by the County Board, the project will be completed wholly in 2017. The project consists of an asphalt pulverization process, which is pictured above, spot culvert replacements, and placement of a new 4-inch asphalt pavement surface. Due to contractor scheduling and other department projects, the work began around October 2<sup>nd</sup> of this year. AQsphalt paving is currently occurring, with shouldering and pavement markings the road is anticipated to be completed by November 17<sup>th</sup>. The overall project carries a cost of \$1.7 million for just under 6 miles of improvements. Of this \$415K will be vehicle registration fee funds, \$309K of county supported short-term borrowing, \$463K in state Local Road Improvement dollars, and the balance \$513k of annual highway appropriations.

In all, since adoption in 2014, the vehicle registration fee has collected \$1.2 million which has helped to fund \$4.83 million in road and bridge improvements by providing local cost share dollars. Without the vehicle registration fees, the Highway Department would not have been able to complete this projects or fully utilize the other funding sources available. Over the next four years the department has the following improvement projects planned: pavement replacement for CTH E in the Town of Mifflin, bridge replacement and 0.3 miles of approaches for CTH G in Mifflin township, bridge replacement for CTH Y in Mineral Point township, bridge replacement for CTH HH in Arena township, bridge replacement for CTH H in Arena township, and phase one of three phases of pavement replacement on CTH F in Moscow township. The costs for these projects are estimated at \$4.9 Million, of this amount \$1.66 million is estimated as vehicle registration fee funds, \$2.95 million are estimated as state-federal cost share funding, and the balance of \$294K of annual highway appropriations or fund balance. Source of projects and funding is the Iowa County Long Range Capital Plan dated 2014-2020, and is updated on an annual basis.

Respectfully submitted; Craig E Hardy; PE/PLS Iowa County Highway Commissioner

### **Craig Hardy**

From:

John Meyers < meyersjohn@live.com>

Sent:

Tuesday, December 12, 2017 10:55 PM

To:

Craig Hardy

Subject:

Wheel assessment in Iowa County

Craig

As I said, important points for lowa County

- 1. We raised revenue for matching funds for projects. The dollars multiplied around 4X or more. Bring a copy of your Dodgeville Chronicle article.
- 2. The County Board is elected on 2 year cycle. No other legislative body exceeds this accountability- Assembly is the same.
- 3. We passed Wheel tax 3 years ago before an election. No one was voted off, nor was there opposition candidates as there normally would be if there was concerns.
- 4. When people occasionally expressed concerns, their only concern was that we would squander the money like other levels of government. When they were assured this money could only be used for highway improvements, they were fine with it.
- 5. We have results of improved highway system locally.
- 6. Referendums are expensive to run. If Counties need to run a referendum for this, then the State should be held to a similar standard with their mandates, rules and incumbrancers on local governments. State cuts in funding for roads has kicked expenses out to the Counties and other municipalities. Where is our referendum on the State??
- 7. We have elections. That is where our accountability lies.

John Meyers



### HIGHWAY DEPARTMENT 920 THIRD STREET

PO BOX 108 Hammond, WI 54015-0108 Phone: (715) 245-4200

Website: co.saint-croix.wi.us

August 16, 2017

Wisconsin Senate PO Box 7882 Madison, WI 53707

Wisconsin Assembly 17 West Main Street Room 401 Madison, WI 53703

RE:

AB 456 - Concerns

Senators/Representatives:

The St. Croix County Transportation Committee is writing to express concerns with Assembly Bill 456 which would require a referendum for proposed and existing vehicle registration fees. St. Croix County enacted a vehicle registration fee in 2008 and it aids in funding transportation needs in St. Croix County.

St. Croix County faces many unique challenges and the removal of the vehicle registration fee would be detrimental to the transportation network in St. Croix County. Stable transportation funding in Wisconsin has proven to be a challenge and inclusion of this language requiring a referendum on vehicle registration fees would further limit local governments from efficiently managing their transportation system and lead to further deterioration on an already strained system.

If you have questions regarding this matter please contact myself or the St. Croix County Highway Department at (715) 245-4201.

Sincerely,

William Peavey

William Fearey

St. Croix Transportation Committee Chairperson



# Resolution No. 34 (2017) RESOLUTION OPPOSING SECTIONS 52 AND 53 OF ASSEMBLY BILL 456 AND SENATE BILL 374 RELATING TO VEHICLE REGISTRATION FEES

WHEREAS, current federal and state funding for local transportation infrastructure is
inadequate; and
WHEREAS, the State has imposed levy limits on local governments, which impacts
local spending for transportation needs; and
WHEREAS, current State law allows local governments, including counties, to enact
ordinances imposing an annual municipal or county registration fee on all motor vehicles; and
WHEREAS, although State law has allowed local registration fees since 1967, few local
governments have imposed local registration fees until relatively recently when more local
governments adopted vehicle registration fees to offset shrinking state and federal transportation
dollars and to repair deteriorating roads; and
WHEREAS, the fees that are collected are required to be used for transportation-related
purposes only; and
WHEREAS, St. Croix County imposed a local registration fee in 2008 to supplement
state and federal transportation dollars for the maintenance of the county highway system; and
WHEREAS, Sections 52 and 53 of Assembly Bill 456 and Senate Bill 374 provide that a
county or municipal registration fee may be continued or imposed only if approved by a majority
of electors voting in a referendum at a regularly scheduled election; and
WHEREAS, Sections 52 and 53 of Assembly Bill 456 and Senate Bill 374, if passed,
would require St. Croix County to hold a referendum within 18 months to consider continuing
the local registration fee; and
WHEREAS, the registration fee may only continue if such a referendum is approved by
a majority of the electorate; and
WHEREAS, this is another attempt to eliminate or reduce local control.
NOW, THEREFORE BE IT RESOLVED that the St. Croix County Board of
Supervisors strongly opposes Sections 52 and 53 of Assembly Bill 456 and Senate Bill 374, and
recommends that Sections 52 and 53 be removed from Assembly Bill 456 and Senate Bill 374
prior to consideration by the Wisconsin State Legislature.
BE IT FURTHER RESOLVED that St. Croix County Board of Supervisors directs the
County Clerk to send a copy of this resolution to the Wisconsin Counties Association, State
Legislators, and Governor Scott Walker and all Wisconsin County Clerks.

### Legal - Fiscal - Administrative Approvals:

Legal Note:

Fiscal Impact:

Elimination of this revenue source would reduce County funding by \$775,000 per

year, based on 2017 budget estimates.

Scott L. Cox, Corporation Counsel 8/70/2017 Robert Mittet, Finance Director 8/31/2017

Patrick Thompson, County Administrator 8/31/2017

09/05/17

Transportation Committee

RECOMMENDED

**RESULT:** 

**RECOMMENDED [UNANIMOUS]** 

MOVER:

David Peterson, Supervisor

SECONDER:

Dave Ostness, Vice Chair

AYES:

Scott Nelson, Dave Ostness, David Peterson, William Peavey

ABSENT:

Ryan S. Sicard

Vote Confirmation.

William Peavey, Supervisor

**/**9/5/2017

#### St. Croix County Board of Supervisors Action:

Roll Call - Vote Requirement - Majority of Supervisors Present

**RESULT:** 

**ADOPTED AS AMENDED [15 TO 3]** 

MOVER:

David Peterson, Supervisor

SECONDER:

Dave Ostness, Vice Chair

AYES:

Ring, Babbitt, Sjoberg, Moothedan, Nelson, Berke, Ostness, Larson, Hansen, Ard,

Peterson, Anderson, Achterhof, Leibfried, Peavey

NAYS:

Tom Coulter, Bob Long, Andy Brinkman

ABSENT:

Ryan S. Sicard

This Resolution was Adopted as Amended by the St. Croix County Board of Supervisors on September 5, 2017

Cindy Campbell, County Clerk