

The Honorable Tony Evers  
Governor of Wisconsin  
115 East, State Capitol  
Madison, WI 53703

Dear Governor Evers,

We write to you on behalf of Jefferson County to ask that you **include a provision in your 2021-23 budget plan to provide for an improved, more equitable return of utility tax collections to counties and municipalities as utility aid.**

Our Association, the Wisconsin Counties Utility Tax Association (WCUTA), is comprised of 36 counties with utility plants. We in concert with ~~and~~ the Wisconsin Counties Association (WCA), have ~~previously~~ requested that you insert an inflation-based increase adjustment based on inflation to the state's utility tax aid formula in your budget bill.

**Commented [D1]:** Commas around 'previously'? no commas needed here

~~This is why~~ this modest but important action would serve every local government in the state and give you the flexibility an opportunity to provide much needed more local revenue outside of revenue caps.

Such an increase would go a long way toward helping defray the costs of unfunded mandates such as: EMS, police and fire protection services, ~~around power plants~~ and road maintenance. As an example, For example, our county ~~Jefferson~~ receives on average ~~x~~ amount of utility taxes. This amount has been declining against inflation flat or declining over the last 13 years. At the same time, while our local costs have increased ~~—x amount~~. Under current revenue caps, the added burden to local taxpayers has been grossly unfair.

**Commented [D2]:** Towards?

Under the ~~current currently employed, though outdated~~ 50 year old formula, ~~Wisconsin the State~~ has collected sizable utility taxes, but returned only about 20 percent of ~~those that revenue general fund revenues~~ to the local governments hosting the utilities. We hope you will agree that now is the optimal time to address the lack of **inflationary increases in utility aid formula components** that has resulted in stagnant utility aid payments. Resolving this inequity will make County and local government budgets more stable and provide funds for much needed infrastructure and service updates.

A review of the current formula reveals that Specifically, a **thirteen-year inflationary index** (2005-2018) would have generated \$22.5 million more in utility aid payments (catch-up money from this revenue not being indexed for inflation). This is the catch-up amount we seek now. Further, **Indexing formula components from 2018 onward**, would cost less than \$2 million per year, ensuring that payments reflect the increased value of utility property. We ask that you include this indexing in your budget proposal.

Shared revenue utility aid payments are a critical source of funds to help counties and municipalities pay for services provided to tax-exempt utility property. These payments-in-lieu of taxes are also viewed as partial compensation for the air pollution, noise, traffic congestion, property maintenance, emergency services and land use limitations caused by the presence of utility property.

Including this cost-of-living increase, albeit modest when spread across the state, would be a psychological boost to counter the strain of revenue caps and our inability to raise our own property taxes. We remain concerned that the state collects utility taxes for use as General Purpose Revenue (GPR), rather than return those dollars to counties and municipalities where the utilities are located. In 2019-20, the state collected \$351.4 million in utility taxes, but only returned \$75.6 million to local governments as utility aid.

Commented [D3]: Redundant?

In our county alone---

Give examples of increases in local costs, unfunded mandates and flat or declining state revenue.

We sincerely appreciate your support for lifting revenue caps despite ongoing opposition from the legislature. Our proposal would be one way to move much needed dollars to local communities. If you have any additional questions please feel free to contact WCUTA. Or contact either Kyle Christianson, WCA Tax lobbyist at [christianson@wicounties.org](mailto:christianson@wicounties.org) or (608-663-7120) or Alice O'Connor, the WCUTA Executive Director at [aoc@constituencyservices.org](mailto:aoc@constituencyservices.org) or (608-225-9391).

Thank you for your consideration.

Sincerely,

INSERT NAMES OF ALL PEOPLE FROM YOUR COUNTY YOU WANT TO SIGN THE LETTER BE SURE TO INCLUDE AN EMAIL AND AT LEAST ONE PHONE NUMBER

BE SURE TO COPY YOUR STATE RE.P AND SENATORS ON THE MAIN LETTER TO GOVERNOR.

COPY Kyle and Alice wither on the letter or separately so we know you sent a letter.