

**OFFICE OF THE GOVERNOR**

**EXECUTIVE ORDER #4**

WHEREAS, Wisconsin ranks 13th in the nation in local property taxes per capita, 25% above the national average, and it is desirable that the property tax burden on homeowners, farms and businesses be reduced; and

WHEREAS, Wisconsin ranks sixth in the nation in personal income taxes per capita, 46% above the national average, and it is desirable for economic development reasons that Wisconsin not be ranked among the top 10 states in income tax burden; and

WHEREAS, in spite of large increases in outlays by the state government for aids to local governments and school districts for the purpose of providing property tax relief (for fiscal year 1986-87, 57% of the state's total budget was devoted to property tax relief programs, including \$1,361 million for school aids, \$779 million for shared revenue payments and \$304 million for property tax credits), local and school spending has increased and local property taxes have not decreased; and

WHEREAS, it is important that the State of Wisconsin implement the recommendation of the Wisconsin Expenditure Commission to limit the growth in state and local spending so that Wisconsin reaches the U.S. average in state and local government expenditures by 1992-93; and

WHEREAS, programs and policies need to be devised so that Wisconsin's overall local property tax burden can be lowered without a corresponding rise in state taxes or an overall increase in state and local spending;

NOW, THEREFORE, I, TOMMY G. THOMPSON, Governor of the State of Wisconsin, pursuant to the authority vested in me by Section 14.019 of the Wisconsin Statutes, do hereby:

1. Establish the Local Property Tax Relief Commission and direct the Commission to:
  - (a) recommend measures to limit growth in local property taxes by limiting growth in local spending in accordance with the recommendations of the Wisconsin Expenditure Commission, and
  - (b) not to recommend measures that would increase state spending;
2. Appoint Dane County Executive Jonathan Barry to chair the Commission;
3. Direct the Commission to present to the Governor a written report of its findings and recommendations by September 1, 1987;
4. Direct the Commission to examine:
  - (a) whether to impose a Constitutional limit on the amount of property taxes that can be levied;
  - (b) how to provide local property tax relief through a combination of state aid and assistance policies and encouragement of effective local fiscal management, including review of how to obtain efficiencies through privatization and consolidation of local government services, as well as a review of the impact of state actions and policies on local spending;

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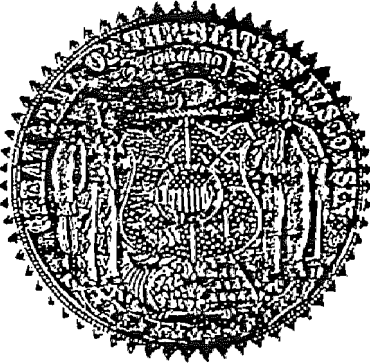
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# The State of Wisconsin

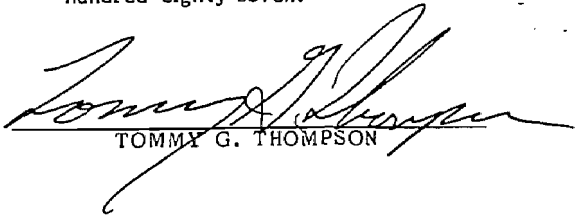


## OFFICE OF THE GOVERNOR

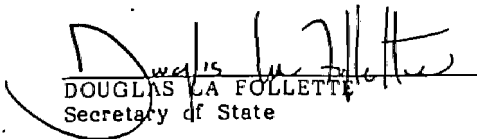
- (c) whether to revise the major state aid formulas used to distribute aids to local governments and school districts to insure that state aids result in property tax relief and to insure that state aid formulas contain incentive for local governments to spend aids wisely;
  - (d) how to maintain an acceptable level of local accountability for the operation and funding of schools and at the same time provide school property tax relief;
  - (e) whether alternative sources of revenue should be made available to local governments to be used to offset property taxes.
5. Direct the Secretary of the Department of Administration, pursuant to section 20.505(3)(a) of the Wisconsin Statutes, to provide the Commission with sums of money necessary and proper for legitimate travel and operating expenses.
  6. Direct the Secretary of the Department of Administration to provide staff support for the Commission, including the hiring of consultants.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol in the City of Madison this 6<sup>th</sup> day of February in the year one thousand nine hundred eighty-seven.

  
TOMMY G. THOMPSON

By the Governor:

  
DOUGLAS LA FOLLETTE  
Secretary of State