



**WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO**

2003 Assembly Bill 431

Assembly Amendment 1

Memo published: September 18, 2003

Contact: William Ford, Senior Staff Attorney (266-0680)

Under **current law**, counties are responsible for providing library services to county residents who do not live in a city, village, or town that maintains a public library. The county levies a property tax for library purposes that is used to fund the costs of providing library services to these county residents.

A city, village, or town that maintains a public library may submit a written application to the county in which it is located to be exempted from the county property tax levy for library purposes under certain circumstances. One of the requirements for exemption from the county library property tax is that the city, village, or town impose a property tax for library services at a rate that is at least equal to the county property tax rate for library services in the prior year.

Assembly Bill 431 would provide, for purposes of comparing the county property tax rate for library services with the property tax rate of the city, village, or town for library services, that the county property tax rate does **not** include that portion of the rate attributable to the levy for public library **capital** expenditures.

In addition, Assembly Bill 431 would provide an additional basis for exemption of a city, village, or town from the county property tax levy for library services. Under Assembly Bill 431, a city, village, or town may be exempted from the county property tax money for library services if either its property tax rate for library services is at least equal to the county property tax rate for library services in the prior year, **or** if its **per capita expenditures** for library services in the prior year was at least equal to the per capita county property tax levy for library services (less the amount levied for library capital expenditures) in that portion of the county that was subject to the county property tax levy for library services in the prior year.

Assembly Amendment 1 to 2003 Assembly Bill 431 would allow a city, village, or town to be exempted from the county property tax levy for library services based on its per capita expenditures for library services only if this is approved by the county board.

Legislative History

On September 17, 2003, the Assembly Committee on Ways and Means offered and adopted Assembly Amendment 1 by a vote of Ayes, 9; Noes, 3, and recommended Assembly Bill 431 for passage, as amended, by a vote of Ayes, 12; Noes, 0.

WF:jal;tlu

Assembly Republican Majority Bill Summary

AB 431: County Tax Levies for Library Services

Relating to: A county's tax levy for library services

By Representatives Gottlieb, Albers, Nass, Hines, Jensen, Gielow, Friske, and Grothman; cosponsored by Senator Darling.

Date: February 24, 2004

BACKGROUND

Under current law, a county board may levy a tax for the purpose of providing public library services to county residents. A city, town, village or school district located in the county is exempt from the county tax levy if the city, town, village or school district levies a tax for public library services at a rate that is equal to or greater than the county library tax rate.

SUMMARY OF AB 431 AS AMENDED BY COMMITTEE

Assembly Bill 431 exempts a city, town, village or school district from the county library tax levy if it levies a tax for public library services at a rate equal to or greater than the amount that the county levies per capita for library services provided to the city, town, village or school district. AB 431 excludes from both calculations any amount levied by the county for public library capital expenditures. ASA 1 would allow a city, village, or town to be exempted from the county property tax levy for library services based on its per capita expenditures for library services only if this is approved by the county board.

AMENDMENTS

Assembly Amendment 1 to Assembly Bill 431 allows cities, villages or towns to be exempted from the county property tax levy for library services based on its per capita expenditures for library services only if this is approved by the county board. [Adopted 9-3-2 (Reps. Nass, F. Lasee and Ziegelbauer voted no; Reps. Jeskewitz and Hebl were absent)].

FISCAL EFFECT

A fiscal estimate was not required for this bill.

PROS

1. AB 431 ensures that residents of libaried communities fund their library at a level equivalent to that provided by the county on behalf of non-libaried communities.
2. AB 431 provides local government with the flexibility to control spending while maintaining adequate funding for library services.
3. Communities with libraries will have more control over their property tax levy.

CONS

1. Extending the current exemption to include a per capita rate could allow some municipalities to tax substantially less than they do under the current exemption formula.
2. It's unknown how many or which libraries throughout the state might qualify for this exemption.

SUPPORTERS

Rep. Mark Gottlieb, author; Sen. Alberta Darling, lead co-sponsor; Scott Gosse, Town of Cedarburg; Lee Szymborski, City of Mequon; Curt Gielow, State Representative; Dianne Robertson, Village of Thiensville; Curt Witynski, League of WI Municipalities.

OPPOSITION

Rick Grobschmidt and Mike Cross, WI Dept. of Public Instruction; Paul Nelson, WI Library Assn.; Kathi Kilgore, Waukesha County Municipal Executives; Matt Stohr, WI Counties Assn.

HISTORY

Assembly Bill 431 was introduced on July 7, 2003, and referred to the Assembly Committee on Ways and Means. A public hearing was held on August 6, 2003. On September 17, 2003, the Committee voted 12-0-2 [Reps. Jeskewitz and Hebl were absent] to recommend passage of AB 431 as amended. AB 431 was referred to the Joint Finance Committee on September 30, 2003. On February 4, 2004, the Committee voted 13-3 [Sens. Decker, Moore and Rep. Schoof voted no] to recommend passage of AB 431 as amended.

CONTACT: Vicky Halverson, Office of Rep. Michael Lehman

MEMORANDUM

TO: Honorable Members of the Joint Committee on Finance

FROM: Craig Thompson, Legislative Director

DATE: February 3, 2004

SUBJECT: Assembly Bill 431 and Senate Bill 120

Assembly Bill 431

The Wisconsin Counties Association (WCA) was opposed to Assembly Bill 431 (AB 431), which relates to a county's tax levy for library services, as it was introduced. WCA was concerned that the per capita exemption, coupled with the public library capital expenditures exclusion created by AB 431, would place a further burden on the taxpayers in the county that provides the county public library services.

WCA feels that Assembly Amendment 1 to AB 431 has addressed the concerns of counties; therefore, WCA removes its opposition to AB 431.

Thank you for considering our comments and working with counties to find a workable solution on AB 431.

Senate Bill 120

WCA supports Senate Bill 120 (SB 120), which relates to creating a public health council, reimbursement for quarantine costs, intrastate mutual aid, requiring use of the incident command system in an emergency, exemption from liability during a state of emergency, threats to release or disseminate harmful chemical, biological, or radioactive substances, making appropriations, and providing a penalty.

WCA feels SB 120 is a step in the right direction because it allows counties and other first responders the necessary tools to protect Wisconsin citizens during emergencies.

WCA respectfully requests your support for SB 120.

Please feel free to contact Matthew Stohr, WCA Legislative Associate, at the WCA office if you have any questions regarding either AB 431 or SB 120.

Halverson, Vicky

From: Solie, Denise
Sent: Thursday, February 19, 2004 2:18 PM
To: Halverson, Vicky
Subject: AB 431

Just a couple of little tweaks to suggest. Background and summary are great.

Amendments: I know that Mark would want the summary to reflect that we worked with WCA and DPI to address their concerns and that they are OK with the bill as amended. Any chance that you would tweak the first sentence to be this:
"Assembly Amendment 1 to Assembly Bill 431 was introduced to address the concerns of the Wisconsin Counties Association and the Department of Public Instruction. It allows cities, villages, or towns to be exempted..."

Fiscal effect and pros are fine.

Cons:

With #1, it's just semantics, but how about this?

1. Extending the current exemption to include a per capita rate could allow some municipalities to tax substantially less than they do under the current exemption formula. With #2, there is no county library, only municipal libraries and a level of taxation that is assessed at the county level. Bizarre, I know. The biggest issue (that I think you're trying to get at and that we heard about) might be worded like this:
2. It's unknown how many or which libraries throughout the state might qualify for this exemption.

Supporters - fine. (We love our locals. I know that you do, too!)

Opposition - I was surprised that the Innkeepers are against it.

WCA: Matt Stohr called me today to tell me that they were changing their position on the ethics board web site to remove their opposition to the bill and to indicate their support for the amendment.

Denise Solie
Legislative Aide
Rep. Mark Gottlieb
(608) 267-2369

-----Original Message-----

From: Halverson, Vicky
Sent: Thursday, February 19, 2004 1:17 PM
To: Solie, Denise
Subject:

<< File: ab431 summary.doc >>



11333 N. Cedarburg Road 60W
Mequon, WI 53092
Phone (262) 242-3100
Fax (262) 242-9819
mayor@ci.mequon.wi.us

Mayor Christine Nuernberg

July 31, 2003

The Honorable Michael Lehman
Chairman, Committee on Ways and Means
State Capitol
P O Box 8952
Madison WI 53708

RE: Support AB 431, Exemption from County Library Tax

Dear Rep. Lehman,

Please support the legislation initiated by Rep. Mark Gottlieb, which would exempt the City of Mequon from a county library tax should we meet certain conditions. The current law is on the verge of bringing about an unsupportable 33 percent increase in the amount levied for the library for the City of Mequon.

Together, the City of Mequon and the Village of Thiensville support the Frank L. Weyenberg Library, which is the largest library in Ozaukee County. Because the State's formula used to determine if we have adequately supported our library includes our equalized valuation, we are on the verge of being considered a community with out library services. The result of being considered a non-librariated community is that Ozaukee County will then be required to levy a library tax on Mequon residents. The funds from the levy, however, will not go to support the Weyenberg Library but rather to the Eastern Shores Federated System.

The City of Mequon provided \$775,000 this year for its library and intends to continue its support. Had we not been able to include our debt service for a library addition as part of our contribution, we would have been required to provide over \$1 million to the library's operation or else suffer a county library tax. When the debt service is retired in eight years, we will be clearly in violation of the required support.

Rep. Gottlieb has found a simple and fair way to resolve this matter. Please support AB 431 and exempt us from a county library tax if we contribute to our library service on a per capita basis that exceeds what Ozaukee County levies on a per capita basis. Our citizens value our library, and we will continue to support it, but please do not also force a county library tax on our residents.

Kind regards,

Christine Nuernberg
Mayor


Alberta Darling
Wisconsin State Senator
Co-Chair, Joint Committee on Finance

**TESTIMONY BEFORE ASSEMBLY COMMITTEE ON WAYS AND MEANS
WEDNESDAY, AUGUST 6, 2003**

THANK YOU CHAIRMAN LEHMAN AND COMMITTEE MEMBERS FOR SCHEDULING A PUBLIC HEARING ON ASSEMBLY BILL 431. I'M TOM PETRI, AIDE TO SENATOR DARLING WHO IS UNABLE TO ATTEND HERSELF TODAY TO TESTIFY IN SUPPORT OF THE BILL. SHE HAS ASKED ME TO SUBMIT TESTIMONY ON HER BEHALF.

I HAVE THROWN MY SUPPORT BEHIND REPRESENTATIVE GOTTLIEB'S BILL FOR THREE MAIN REASONS.

- 1) MUNICIPAL OFFICIALS DESERVE THIS LAW CHANGE SO THAT THEY CAN BETTER MANAGE THEIR ANNUAL BUDGETS. THIS BILL WILL HELP LOCAL GOVERNMENTS AS THEY SET THEIR ANNUAL LIBRARY BUDGETS. THE LAW CHANGE WILL ALSO NOT ALLOW MUNICIPAL GOVERNMENT TO ARBITRARILY ABORT ITS SUPPORT FOR LIBRARIES AND CEASE PROPER FUNDING UNDER THE GUISE OF ATTEMPTING TO BALANCE A BUDGET.
- 2) THE PER CAPITA CHANGE IN STATE LAW IS THE BEST WAY FOR CITIES, TOWNS, VILLAGES OR SCHOOL DISTRICTS TO FAIRLY FUND THEIR LIBRARIES. PROPERTY-RICH AREAS IN OZAUKEE COUNTY ARE CURRENTLY FORCED TO PAY EXHORBITANT AMOUNTS TO SIMPLY MAINTAIN THEIR STATE-MANDATED COMMITMENT. I BELIEVE THE LAW SHOULD CHANGE TO BETTER REFLECT TODAY'S REAL WORLD, WHERE BUDGET CRUNCHES AND STATE AID REDUCTIONS HAVE PINCHED EVEN THE WEALTHIEST OF COMMUNITIES.
- 3) BY ELIMINATING CAPITOL EXPENDITURES FROM THE EXEMPTION CALCULATION, LIBRARY OFFICIALS WON'T NEED TO WORRY ABOUT A LARGE BUILDING PROJECT BLOWING UP THEIR THREE-YEAR SPENDING AVERAGES. MAINTAINING YEARLY OPERATING COSTS SHOULD BE THE GOAL OF MUNICIPAL OFFICIALS WHO CONTINUE TO STRIVE TO PRESERVE CORE LIBRARY SERVICES. ONE ROOF REPAIR JOB, OR PARKING LOT RESURFACE COULD UNFAIRLY BLOAT SPENDING COSTS.

LIBRARIES ARE CIVIC INSTITUTIONS THAT ARE VITALLY IMPORTANT TO THE OVERALL ATTRACTIVENESS OF A COMMUNITY. IN MY DISTRICT, LIBRARIES REPRESENT THE BEST OUR LOCAL GOVERNMENTS HAVE TO OFFER. REPRESENTATIVE GOTTLIEB AND I ARE NOT TARGETING THE FREE LIBRARY CONCEPT OR THE CURRENT MAINTAINANCE OF EFFORT REQUIREMENT. WE ARE SIMPLY RESPONDING TO THE CONCERNS OF SOME OF OUR LOCAL GOVERNMENT OFFICIALS IN OZAUKEE COUNTY WHO FEEL THERE IS A SIMPLER, BETTER WAY TO ESTABLISH THE LIBRARY TAX EXEMPTION.

BY ADOPTING REP. GOTTLIEB'S PER CAPITA APPROACH, THOSE AFFECTED MUNICIPALITIES WILL CONTINUE TO MAINTAIN ADEQUATE FUNDING FOR THEIR LIBRARIES WHILE STILL QUALIFYING FOR THE TAX EXEMPTION.

THANK YOU AGAIN FOR SCHEDULING THIS BILL AND I AM AVAILABLE TO ANSWER QUESTIONS IF THE COMMITTEE HAS SOME.



MARK GOTTLIEB

STATE REPRESENTATIVE • 60TH DISTRICT

**Testimony of Rep. Mark Gottlieb
Assembly Bill 431
Assembly Ways and Means Committee
August 6, 2003**

Chairman Lehman and members:

Thank you for holding this public hearing on AB 431. This bill provides an alternative method for communities with libraries to establish their exemption from the county tax that is levied in non-librariated areas. Under current law, communities with libraries must have a library tax rate equal to the county rate in order to maintain their exemption from the county levy. This bill would allow librariated communities to maintain their exemption by showing that their library levy is equal to the county levy on a per capita, rather than a tax rate, basis. It also eliminates capital expenditures from the calculation of the county's levy, with the intention of limiting the exemption calculation to operating costs only.

The purpose of the current law is clear. It's designed to ensure that the residents of librariated communities fund their library at a level equivalent to that provided by the county on behalf of residents of non-librariated communities. I believe the current law's "one-size-fits all" formula does not accomplish this purpose in all cases. Specifically, by requiring minimum tax rates, rather than a minimum dollar levy, the current formula requires librariated communities with higher property values to fund their libraries at a higher level than may be warranted to maintain equality with the support provided by residents of non-library communities. I have been unable to find any other example where the state mandates a minimum property tax rate for any local service, and I believe that in our current fiscal environment we should not be doing so.

A fair and balanced approach to establishing exemptions is one that requires adequate funding to maintain the exemption without regard to property value in cases



MARK GOTTLIEB

STATE REPRESENTATIVE • 60TH DISTRICT

where values vary widely between library and non-library communities in the same county. In this bill, I propose per-capita funding as the alternative basis for exemption. The Department of Public Instruction validates this method in their publication "Wisconsin Public Library Standards, 3rd Edition," which establishes per-capita quantitative standards for public libraries based on the population served. If per-capita spending is a valid method for establishing standards for library service, it should be equally valid as a method to ensure that library communities are spending at an adequate level to avoid paying the county levy collected in non-library areas.

We need to provide our local governments with maximum flexibility to control spending while maintaining adequate services. We certainly should not be driving up the property tax levy by mandating minimum tax rates where they are not warranted. This bill will give communities with libraries more control over their property tax levy, while still ensuring that sufficient funds are provided to maintain equality between those communities that have libraries, and those that do not.



Wisconsin Library Association

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**Testimony to the
Assembly Committee on Ways and Means
regarding AB431 (relating to a county's tax levy for library
services)**

Wednesday, August 6, 2003

My name is Paul Nelson, and I serve as the Director of the Middleton Public Library. Today, though, I am here in my capacity as the chair of the Library Development & Legislation Committee of the Wisconsin Library Association. I am also here to speak in opposition to this bill.

AB431 is a prime example of what happens when a state solution is applied to a local problem. While its tweaking of the law may address the concerns of one county in particular, the unintended consequences have the potential to wreak havoc on library governance and funding in Wisconsin's 71 other counties.

As an analysis of this bill points out, if AB431 were to become law, some municipalities now without a library would be able to establish a new library and support it at a level substantially lower than their current county library tax support and claim an exemption from the county library tax. These efforts will only serve to weaken the strong network of library service that has developed since the creation of public library systems more than 30 years ago.

The Wisconsin Library Association opposes this bill for the same reasons as set forth in the testimony provided by the Department of Public Instruction. *AB431 may create incentives for actions that could be detrimental to existing cooperative library governance and funding arrangements, and could place an unfunded burden on libraries serving residents of municipalities that establish substandard libraries.*

On the other hand, WLA support the provision in AB431 that would exclude expenditures on library capital projects as part of the calculation for an exemption from the county library tax. This statutory change is a recommendation of the State Superintendent's Task Force on Library Legislation and Funding, of which I was a member, and is included in legislation to be introduced at the request of DPI. This approach has worked very well for the 18 municipal libraries that are members of the Dane County Library Service.

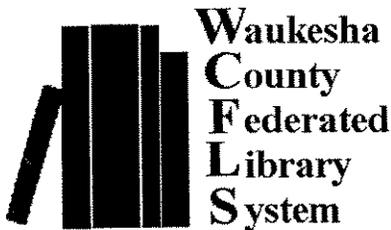
Attached to my testimony is a letter from Richard Brandt, President of the Waukesha County Federated Library System. The system board and advisory committee have both gone on record as opposing AB431.

Thank you for this opportunity to address the committee today.

Sincerely,
Paul Nelson
Chair, WLA Library Development &
Legislation Committee
Director, Middleton Public Library

Leaders, educators and advocates @ your library.

- Association of Wisconsin Special Librarians
- Wisconsin Association of Academic Librarians
- Wisconsin Association of Public Libraries
- Wisconsin Association of School Librarians
- Wisconsin Library Trustee Association
- Circulation Services
- Document Services
- Intellectual Freedom
- Interlibrary Loan
- Library Research
- Library User Education
- Media and Technology
- Outreach Services
- Readers Section
- Reference & Adult Services
- Social Responsibilities
- Support Staff
- Technical Services
- WI Genealogy & Local History
- Wisconsin Small Libraries
- Youth Services



831 Grand Avenue,
Suite 220
Waukesha, WI 53186
(262)-896-8080
Thomas J. Hennen Jr.
System Director

Paul Nelson
Wisconsin Library Association Legislative Advocate
7425 Hubbard Avenue
Middleton, WI 53562

July 30, 2003

Dear Paul,

I understand that there is a hearing on Assembly Bill 431 scheduled for August 6 in the Ways and Means Committee. I will be unable to attend. I have asked the Waukesha County Federated Library System Board and our advisory committee representing the 16 public libraries in Waukesha County to go on record in opposition to the bill. They have done so.

They have also recommended LRB 0384/1, which we trust will soon be introduced as a far better alternative. We believe that LRB 0384/1 with its provision for capital cost exclusion for counties will deal adequately with the problems encountered recently in Sheboygan and has added provisions for local accountability.

Assembly Bill 431, on the other hand, has the potential to disrupt the balance of funding between library and non-library communities in the state. That funding partnership can and should be seen as a very effective model for all types of tax supported services.

Please feel free to read any portion of this letter to the committee on August 6th.

Sincerely,

A handwritten signature in cursive script that reads "Richard".

Richard Brandt
Waukesha County Federated Library System President



State of Wisconsin Department of Public Instruction

Elizabeth Burmaster, State Superintendent

Testimony on AB 431
Before the Assembly Ways and Means Committee
August 6, 2003

Richard Grobschmidt, Assistant Superintendent, Division for Libraries, Technology, and
Community Learning
Michael Cross, Acting Director, Public Library Development Team

Background and Current Law

In Wisconsin, local public library service is primarily supported by municipal and county property taxes. In eight counties, the county has assumed the primary role for providing public library service to county residents. In all other counties, the county library tax reimburses municipal (or joint municipal) public libraries for at least part of the cost of library service provided to county residents who do not live in a library community. Under current law [Section 43.64(2)] municipalities with libraries that support the library at a levy rate equal to or above the county levy rate for library service qualify for exemption from the county library tax.

Almost all Wisconsin municipalities with a public library easily qualify for exemption from the county tax. In 2002, the average library levy for residents of a municipality or county that operates a library was \$.659 per \$1,000 of EAV. The average library levy on county residents that do not maintain a public library was \$.271 per \$1,000 EAV. Eighty-five percent of eligible municipalities claim exemption from the county library tax. Most of the remaining municipalities could exempt themselves from the county library tax, but don't request it because of local arrangements and/or county plans.

With the current public library tax and funding structure, the county library levy rate, in effect, becomes the uniform minimum tax that is paid for library service in the county. In most instances the county library tax pays for library service provided to county residents without a local public library. By allowing communities with libraries to exempt from this county tax, library communities avoid having to pay for both their own local public library and for library service provided to county residents without a local library.

Under current law everyone is taxed at least at the county library tax rate. Therefore, there is no economic incentive for a municipality to establish a substandard public library simply to avoid the county library tax.

Analysis of Assembly Bill 431

Assembly Bill 431 would create an alternate method of qualifying for exemption from the county library tax. In addition to the present tax levy requirement for exemption, any municipality taxing at a higher per capita rate for a local public library than the county per capita library tax would also be eligible for the exemption.

For some municipalities the “per capita” alternative would lower the library levy exemption rate well below the county levy rate for library service. This occurs because the alternate minimum total tax amount needed for exemption will be based on the county per capita support for library service. There would no longer be a minimum uniform mill levy for public library service support in each county.

If AB 431 were to become law, some municipalities now without a library would be able to establish a new library and support it at a level substantially lower than their current county library tax support, and claim exemption from the county library tax. New libraries established primarily to take advantage of this proposed change in the public library service taxing structure could undermine existing cooperative funding arrangements. Exemption for the new library would remove property tax base supporting the county library reimbursement program. Funds previously provided through county taxes to pay for library services for that municipality’s residents will no longer be paid to other library communities in the county, even if those residents continued to use those other libraries. Essentially, a “tax shift” could occur—shifting some of the cost of library service from the property owners in the newly exempt community to the property owners in the remainder of the county.

A similar result could occur in the eight counties where the county has assumed the primary role for public library support by establishing a city-county joint public library or a consolidated county public library. Some municipalities in these counties may find that they have an economic incentive to create a local public library and claim exemption from the county tax. This would reduce the tax base supporting the county library. If the new library is substandard, residents of the municipality establishing the new library may still choose to use the county library—a library they would no longer support financially.

The Kettl Commission recommended cooperative relationships among local government units to more efficiently provide government services. Through county and multi-county planning and through library systems, public library service is often a model of intergovernmental cooperation. AB 431 could encourage the establishment of new libraries that unnecessarily duplicate existing library services and could undermine existing cooperative funding arrangements.

The DPI supports the provision in AB 431 that would exclude county expenditures on library capital projects from calculation of the threshold for municipal exemption from the county library levy. This statutory change was recommended by the State Superintendent’s Task Force on Library Legislation and Funding and is included in legislation to be introduced at the request of the DPI. The DPI is in opposition only to AB 431’s creation of an alternative method of qualifying for exemption from the county library tax.

In summary, the Department of Public Instruction opposes AB 431 because it may create unintended negative consequences. AB 431 may create incentives for actions that could be detrimental to existing cooperative library governance and funding arrangements, and could create an inequitable tax shift from the property owners in a newly exempt community to the property owners in the remainder of the county.

Thank you for the opportunity to testify today.



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FAX: 608.663.7189

MEMORANDUM

TO: Honorable Members of the Assembly Committee on Ways and Means

FROM: Matthew Stohr, Legislative Associate

DATE: August 6, 2003

SUBJECT: Assembly Bill 431

The Wisconsin Counties Association (WCA) opposes Assembly Bill 431, which relates to a county's tax levy for library services. Assembly Bill 431 (AB 431) exempts a city, town, village, or school district from the county library tax levy if the city, town, village, or school district levies a per capita rate for library services in an amount that is equal to or greater than the amount that the county levies per capita for library services provided to the city, town, village, or school district. In addition, AB 431 excludes from both calculations any amount levied by the county for the public library capital expenditures.

WCA is concerned that AB 431 may have broad reaching ramifications. Under current law, a city, town, village, or school district located in the county is exempt from the county tax levy if the city, town, village or school district levies a tax for public library services at a rate that is equal to or greater than the county library tax rate. By extending this exemption to include a per capita rate, AB 431 could potentially allow some municipalities to tax substantially less for library services than the county library tax provides. Furthermore, it is possible that a community could view this extension of an exemption as an incentive to establish a substandard public library merely to avoid the county library tax.

In addition, WCA is concerned that the per capita exemption coupled with the public library capital expenditures exclusion created by AB 431 would place a further burden on the taxpayers in the county that provides the county public library services. It is possible that citizens from the community that is exempt from county library tax may utilize the services offered by the county library. Therefore, the library services may be offered to all county citizens, but only a portion of those county citizens would be paying for the services.

In conclusion, WCA respectfully requests that you oppose Assembly Bill 431.

Thank you for considering our comments. Please do not hesitate to contact me at the WCA office if you have any questions.



Preserving Yesterday's Heritage for Tomorrow.

1293 Washington Avenue
Cedarburg, Wisconsin 53012-9304

August 6, 2003

Representative Michael "Mickey" Lehman
Committee on Ways and Means Chairperson
Room 103 West
State Capitol
P.O. Box 8952
Madison, WI 53708-8952

RE: Support of 2003 Assembly Bill 431

Dear Representative Lehman and Committee on Ways and Means Members:

The Town Board adopted a resolution in November 2001 requesting a change in the statutes to exempt municipalities that participate in the funding of a library from the County Library Tax formula currently based on equalized value. Based upon that resolution, the purpose of this letter is to express support for 2003 Assembly Bill 431. The Town of Cedarburg has been working with its elected representatives since November 2001 to try and achieve changes to the County Library Tax statute (Wis. Stats. 43.64, County Tax).

As you are aware, the current library tax formula is based solely on a community's equalized value in conjunction with the tax levied by the county for public library service in the prior year. In general, the Town does not believe the current formula is fair and equitable as it is primarily based on a municipality's equalized value. The Town of Cedarburg has been experiencing equalized value growth averaging approximately 9% in 2001 and 2002. Our population increased 1.6% from 2001 to 2002 and decreased 0.01% from 2000 to 2001 based on Wisconsin Department of Administration figures. Therefore, due to the current statutory language for determining the County Library Tax, the Town was required to increase funding approximately 7% for 2001 and 34% for 2002 to remain exempt from the County Library Tax – all because the current statutes base funding levels on equalized value. It does not matter that the Town population increased only 1.4% during this two-year period.

The Town of Cedarburg has been a participant of the current Joint Library Agreement with the City of Cedarburg since November 19, 1984. The Town shares in the operational expenses of the library on an annual basis with the amount determined by a Shared Services Agreement (which also covers recreation, senior center and fire department operational expenses). Being a participant of the Shared Services Agreement demonstrates that the Town has been committed to funding a library that its residents use. In 2002, the County Library Tax required the Town to pay more for library services to be exempt from the Tax than the Town was required to contribute under the Shared Services Agreement with the City. Something is definitely wrong with the current formula when the Town has been an active participant in funding a joint library yet the State Statutes does not recognize this.

A more important issue is that the current formula does not take into account potential users of the libraries – a municipality's population. It does not make sense that the municipalities are required to increase funding for libraries to remain exempt from the County Library Tax when their population does not increase, or increases at a level much lower than its equalized value. This is not fair and it is not equitable. Just because a municipality's equalized value increases does not necessarily mean that the

Representative Michael "Mickey" Lehman
Committee on Ways and Means Chairperson
Support of 2003 Assembly Bill 431
August 6, 2003
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community should be required to, or is able to, pay more for library services. The City of Mequon operates, arguably, the best library in Ozaukee County. Yet because its equalized value continues to increase year after year, they are arbitrarily required to pay more to remain exempt from paying the County Library Tax. If they did not appropriate more than the amount required to remain exempt from the County Library Tax, they would be required to pay the County Tax in addition to any amount needed to operate their own library – unless they decided to close their library. This is somewhat similar to the Town of Cedarburg's situation.

The bill drafted by Representative Gottlieb and others, 2003 Assembly Bill 431, provides a level of reasonableness and fairness that the current Statute does not contain. The bill allows for a municipality to be exempt from the County Library Tax if it appropriates an amount at least equal to the lesser of either the County Library Tax rate multiplied by a municipality's equalized value or the per capita expenditure for non-librariated communities multiplied by a municipality's population. The proposed bill would not penalize municipalities like the Town of Cedarburg and City of Mequon that experience high growth rates in property value and low population growth. As we are all aware, population determines demand on library usage – not property value.

As an aside, one may ask why the Town of Cedarburg does not terminate its participation in the Cedarburg Joint Library and pay a lower amount through the County Library Tax as a non-librariated community. This is certainly something the Town could do but it would have severe consequences to the future operation and services of the Cedarburg Public Library. The City of Cedarburg would either have to come up with approximately \$200,000 to fund current library services or cut the library's budget and decrease services offered by the library. Additionally, if the City's funding for the library fell below the average of the last three years expenditures, the Cedarburg Public Library would lose its membership in the Eastern Shores Federated Library System.

The proposed changes would provide a better opportunity for municipalities to control municipal taxes, which is of interest to us all. Overall, funding levels are not prescribed for any other municipal service. While the proposed language does not eliminate the minimum funding level requirement, it does provide a more rational basis than the formula currently in place. Thank you for the opportunity to provide testimony in support of a more fair and equitable formula for calculating the County Library Tax.

Sincerely,



Scott A. Gosse
Town Administrator

C: Town Board
Representative Mark Gottlieb

Halverson, Vicky

From: Halverson, Vicky
Sent: Friday, August 08, 2003 2:18 PM
To: Ford, William
Subject: AB 242

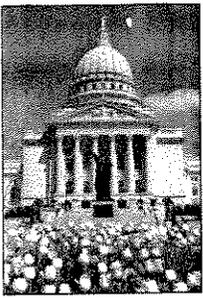
Hi Bill:

Before he left yesterday, Mickey went through the bills that he wants to take up at the Sept. 17th PH/ES. He wants to exec. on AB 431. He met with Mark Gottlieb yesterday and Mark's drafting an amendment to the bill. Suder's redraft of AB 299 will have a PH & ES. He plans to hold a PH on Wieckert's AB 319 re: TIF, and he wants to exec. on Rep. Black's AB 242 -- re: the annual gas tax increase. As he previously mentioned, he would like to require the DOT to specify in their biennial budget requests that they want to index the gas tax for each of the two years of the biennium. Would you be able to help us get this amendment drafted?

I'm going to be out of the office from about 2:30 this afternoon until Monday the 18th. Mickey will be in next Tues., Wed., & Thurs. if you have any questions.

Thanks very much.

Vicky



Michael (Mickey)
Lehman

State Representative
99th Assembly District

Committee Chair: Ways and Means

Memorandum

To: Ways & Means Committee Members

From: Rep. Michael "Mickey" Lehman

Date: September 12, 2003

Re: LRB 3214/2 relating to Technology Zone Tax Credits, and Amendments for the 9/17/03 Public Hearing/Executive Session

Attached is a copy of Rep. Suder's LRB 3214/2. You will recall that this is a redraft of his AB 299, which received a Public Hearing 6/11/03, and was also discussed at our last PH/ES. The bill will be numbered shortly. I'll pass along that number to you as soon as I get it.

In addition, the Committee will consider a simple amendment to AB 431, and a substitute amendment to AB 242. Copies of both are attached for your information.

As indicated on the hearing notice, the Committee will hold an Executive Session on these three bills.

Vote Record Committee on Ways and Means

Date: 9/17/03

Moved by: Young

Seconded by: Lothian

AB 431

SB _____

Clearinghouse Rule _____

AJR _____

SJR _____

Appointment _____

AR _____

SR _____

Other _____

ⓐ A/S Amdt 0811/1

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

- Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Michael Lehman, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Jeffrey Wood	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Stephen Nass	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Eugene Hahn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Frank Lasee	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Suzanne Jeskewitz	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Representative Samantha Kerkman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Thomas Lothian	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Wayne Wood	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Leon Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Terese Berceau	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Robert Ziegelbauer	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Johnnie Morris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Tom Hebl	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>9</u>	<u>3</u>	<u>2</u>	_____

Motion Carried

Motion Failed

431
Passage

Vote Record Committee on Ways and Means

Date: 9/17/03

Moved by: Lehman

Seconded by: Young

AB 431 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:
 Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrency

as amended

Committee Member	Aye	No	Absent	Not Voting
Representative Michael Lehman, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Jeffrey Wood	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Stephen Nass	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Eugene Hahn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Frank Lasee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Suzanne Jeskewitz	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Representative Samantha Kerkman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Thomas Lothian	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Wayne Wood	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Leon Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Terese Berceau	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Robert Ziegelbauer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Johnnie Morris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Tom Hebl	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>12</u>	<u>0</u>	<u>2</u>	_____

Motion Carried Motion Failed

AB 431 -

DPL - Opposed - unintended consequences that could occur in other areas.

Paul Nelson - Middleton Library - Why statewide solution to problem confined to Oz. Co.

AB 415 - Johnsrud - written testimony? Change must be made because the "little guys" are being driven out.

^{Johnsrud:} DATCP - Failure to address this issue. Huge problems along borders. Extends out to nearby areas. Concerns with businesses closing. ~~From~~ ~~From~~

~~From~~ Hebl - unintentional ~~consequences~~ consequences could be great. - opposed.

DATCP - Kevin Leroy - Dept. has not taken stands on min. Markup