
Wisconsin Legislative Council

AMENDMENT MEMO



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2023 Assembly Bill 245

Senate Amendment 1, as Amended by Assembly Amendment 2

2023 ASSEMBLY BILL 245

As passed by the Assembly and engrossed, 2023 Assembly Bill 245: (1) modifies the state's approach to shared revenue for counties and municipalities; (2) repeals Wisconsin's personal property tax; and (3) authorizes the City of Milwaukee and Milwaukee County to impose sales and use taxes, primarily to address the city's and county's unfunded pension system liabilities. The bill also makes other changes to state law, including some provisions specific to the City of Milwaukee and Milwaukee County and other provisions that apply throughout the state. For a summary of the bill, as introduced, and changes made to the bill by Assembly Amendment 2, see [Legislative Council, 2023 Assembly Bill 245, Relating to Shared Revenue, the Personal Property Tax, and Milwaukee Sales Tax Authority, Information Memorandum \(May 2023\)](#).

SENATE AMENDMENT 1

Together with a number of more minor and technical changes, Senate Amendment 1, as amended by Assembly Amendment 2,¹ makes the following modifications to 2023 Assembly Bill 245, as engrossed:

- For all municipalities with populations under 110,000, increases the guaranteed minimum amount of **supplemental aid** authorized under the bill to 20 percent, rather than 15 percent, of the amount of aid provided under the general shared revenue formula.
- Removes a requirement that the sales tax authority authorized under the bill for Milwaukee County and the City of Milwaukee must be approved by local electors in a **referendum**. Instead, the amendment requires the city and county ordinances authorizing the sales taxes to be approved by a two-thirds majority vote of all members elect of the county board and city common council, respectively.
- Increases the **amount of new sales tax** authorized to be levied by Milwaukee County to .4 percent, rather than .375 percent under the bill.
- Modifies the **purposes for which the City of Milwaukee may expend sales tax revenue**, by requiring the city to use sales tax revenue that exceeds that revenue received in the previous year to

¹ Assembly Amendment 2 to Senate Amendment 1 requires the imposition of a sales and use tax in the City of Milwaukee and Milwaukee County to be approved by a two-thirds vote of "all members elect" of the Milwaukee Common Council and the Milwaukee County Board, respectively, rather than requiring approval by two-thirds of a majority of those bodies under Senate Amendment 1. A similar amendment, which required a two-thirds vote of "all members elected" on those bodies, was offered by Senator Taylor during the Senate floor debate on the bill but was withdrawn after the author of Senate Amendment 1 indicated that it had been the author's intent to require a two-thirds vote of elected members of the Milwaukee Common Council and the Milwaukee County Board to impose the sales and use tax authorized by the bill.

“increase” the number of law enforcement officers and paid members of the fire department above the number and daily staffing level provided on April 1, 2023, until the city reaches a certain staffing level, rather than to “maintain” the staffing level provided on April 1, 2023.

- Revises the **maintenance of effort** requirements specific to the City of Milwaukee, by requiring the city to attain certain staffing levels for law enforcement and fire within 10 years after first imposing the sales tax authorized by the bill, subject to a new reduction in the city’s supplemental shared revenue payment if the city fails to do so.
- Provides certain exceptions to a general prohibition on conducting local **advisory referenda**, to allow counties and municipalities to conduct advisory referenda for purposes that are specifically authorized under current statutes, including advisory referenda regarding local shared revenue agreements, cooperative boundary agreements, and certain cable and telecommunication operations.
- Clarifies that **supermajority voting** requirements for certain spending decisions by the City of Milwaukee and Milwaukee County do not apply after the city or county no longer impose the sales tax authorized under the bill.
- Clarifies a prohibition on increasing or enhancing benefits for employees who remain in the City of Milwaukee’s **retirement system**, by more specifically prohibiting changes to the existing retirement systems that are contrary to collective bargaining agreements between the city and certain police and fire associations that were in effect through December 31, 2022 and benefits or payments defined in the city’s charter in 2022, in addition to a more general prohibition on increasing or enhancing existing retirement system benefits. In addition, the amendment requires the city to calculate its annual employer contributions for its existing retirement system using exactly a 30-year amortization period, rather than “not more than” a 30-year amortization period under the bill.
- Revises a new exception to the permissible subjects of **collective bargaining** for public safety employees, by specifying that the City of Milwaukee may not collectively bargain with public safety employees on any terms of the existing City of Milwaukee retirement system, including contribution rates, and benefit calculations or factors, and to specify that the terms in effect for those employees on December 31, 2022, remain in effect. The amendment also revises the exception to specify that Milwaukee County may not collectively bargain with public safety employees on any terms of the existing Milwaukee County retirement system, including costs, payments, contribution rates, pension benefit calculation, or design.

BILL HISTORY

Assembly Action on May 17, 2023

Representative Kurtz offered Assembly Amendment 2 to 2023 Assembly Bill 245 on May 17, 2023. On the same day, the Assembly voted to adopt the amendment on a voice vote. The Assembly then voted to pass the bill, as amended, on a vote of Ayes, 56; and Noes, 36, with four paired votes and two members not voting.

Senate and Assembly Action on June 14, 2023

Senator LeMahieu offered Senate Amendment 1 to 2023 Assembly Bill 245, as engrossed, on June 14, 2023. On the same day, the Senate voted to adopt the amendment on a vote of Ayes, 21; Noes, 12. The Senate then passed the bill, as amended, on a vote of Ayes, 21; Noes, 12, and immediately messaged its action to the Assembly.

Representative Kurtz offered Assembly Amendment 2 to Senate Amendment 1 to the bill on June 14, 2023. That amendment specifies that the two-thirds vote of the Milwaukee City Council and Milwaukee County Board to impose sales and use taxes in those jurisdictions must be a two-thirds vote of “all members elect” of those bodies. The Assembly voted to adopt the amendment on a voice vote, and then concurred in Senate Amendment 1, as amended, with a vote of Ayes, 68; Noes, 26; Paired, 2.

After receiving the action messaged by the Assembly, the Senate voted to concur in Assembly Amendment 2 to Senate Amendment 1 on a vote of Ayes, 29; Noes, 4.

For a full history of the bill, visit the Legislature’s [bill history page](#).

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