TESTIMONY BEFORE THE SPECIAL COMMITTEE ON EMERGENCY MANAGEMENT AND CONTINUITY OF GOVERNMENT Wednesday, October 1, 2008

By Larry N. Arft, City Manager City of Beloit

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Dear Senator Jauch and honorable members of the committee:

I very much appreciate the opportunity to appear before you this morning to discuss an issue that seriously impacts local jurisdictions that have experienced an emergency declaration. While there are many issues and concerns that will be articulated here, I wanted to focus very briefly on the State's current tax levy limit legislation. The current program makes no provision for jurisdictions to recover extraordinary expenses experienced during an emergency response event. While some of those expenses may be reimbursed by the Federal Government, if a Presidential emergency declaration is approved, many other expenses will not be eligible for reimbursement.

The tax levy limitation legislation is scheduled to sunset at the conclusion of this budget cycle. If the State legislature considers a renewal of that legislation to cover the next fiscal biennium, it is imperative that the formula include a provision that unreimbursed expenses related to an emergency management declaration be included in the base for that fiscal period so that funds expended can be captured, if necessary, in the subsequent years' property tax levy.

The ability to recover unreimbursed costs is of critical importance to any jurisdiction experiencing an emergency declaration. We urge the committee recommend any contemplated extension of the levy limit legislation for the fiscal 2010 biennium include language to allow for this adjustment to the formula.

Sincerely,

Larry N. Arft City Manager