

Richland County Finance and Personnel Committee

Agenda Item Cover

Agenda Item Name: State Shared Revenue

Department	County Board	Presented By:	Shaun Murphy-Lopez
Date of Meeting:	January 21 st , 2022	Action Needed:	Vote
Disclosure:	Open	Authority:	Committee Structure C & E
Date submitted:	January 20 th , 2022	Referred by:	n/a

Recommendation and/or action language:

Recommend a motion to forward to the Strategic Planning Committee a preference by the Finance & Personnel Committee to include in the Strategic Plan an action to “encourage state officials to increase state aids (i.e., shared revenue, state highway aid, other state aid) from the State of Wisconsin to Richland County, to reduce the impact of increasing property taxes on our county’s residents.”

Background:

Shared revenues (aka state aid) from the State of Wisconsin have been falling for over 20 years. Shared revenue was originally put in place in the early 1900’s to share state income tax revenue with local municipalities in exchange for a reduction in property that could be taxed¹. In 2001, Richland County received \$1.36 million that could be spent on general government activities such as public safety, highways, and human services. In 2021, the State shared \$1.22 million, a drop of 12%. If the amount received in 2001 was adjusted for inflation, the amount would be \$2.09 million. See Attachment A.

A 2013 report from the Wisconsin Taxpayers Alliance (a nonpartisan group) showed that with the reduction in shared revenue, counties increasingly relied on property taxes and fees (see Attachment B). Between 1995 and 2011, revenues from state aid dropped from 42% to 29%, as a share of total county general revenues. Meanwhile, property taxes increased from 32% to 38%, and fees similarly increased from 10% to 16%.

In Richland County, these trends appear to be true, as shown in Attachment C. Property taxes have doubled from \$4.9 million in 2001 to \$10.4 million in 2022. Meanwhile state highway aids have also seen a decrease between 2001 and 2022 (from \$756,855 to \$574,114). While other state aids rose from \$4.0 million in 2001 to \$6.6 million in 2019, they had their peak of \$7.6 million in 2008.

The Wisconsin Counties Association already has on its legislative agenda, “Seek an increase in the shared revenue appropriation to reflect the growing costs of providing state-mandated services.”² It is recommended that the Strategic Plan include an action that encourages Richland County officials join WCA in encouraging state officials for an increase in state shared revenue, to reduce the impact of increasing property taxes and fees on Richland County residents.

Because state highway aids have also been decreasing (see Attachment C), the suggested language for the Strategic Plan is inclusive: “Encourage state officials to increase state aids (i.e., shared revenue, state highway aids, and other state aids) from the State of Wisconsin to Richland County, to reduce the impact of increasing property taxes on county residents.”

¹

https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2017/0018_shared_revenue_program_informational_paper_18.pdf

² <https://www.wicounties.org/wp-content/uploads/2020/10/2020-Legislative-Agenda-FINAL.pdf>

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Attachments and References:

Attachment A: Shared Revenue 2001 - 2021	Attachment C: Major Selected Revenues
Attachment B: WI Taxpayers Alliance	

Financial Review:

(please check one)

<input type="checkbox"/>	In adopted budget	Fund Number	
<input type="checkbox"/>	Apportionment needed	Requested Fund Number	
<input type="checkbox"/>	Other funding Source		
<input checked="" type="checkbox"/>	No financial impact		

(summary of current and future impacts)

Approval:**Review:**

Department Head

Administrator, or Elected Office (if applicable)