

Research Brief

Annual Analysis Finds Tax Levies Increase Almost Three Times Faster than Inflation

Analysis of 2003 property taxes uncovered conflicting messages for the region's taxpayers. In 127 out of 147 municipalities across seven counties, net tax rates declined in 2003. Still, property owners felt little relief since these rate cuts were primarily made not as a result of declining levies, but as a result of increasing property values.

The pace of tax levy increases slowed over last year to 3.8%, compared with 6.2% between 2001 and 2002. Yet, the 3.8% increase is almost three times the rate of inflation (1.3%).

In Milwaukee County, taxing jurisdictions have held the line on property tax levies. The county's gross tax levy has increased 21.5% since 1992, less than inflation, less than the per capita income increase, and less than the county's peers in the region. The levy increases in fast-growing Kenosha, Walworth, Washington, and Waukesha Counties were more than twice the rate of inflation.

Nonetheless, Milwaukee County governments tax their property owners at the highest rates in the region. All of the county's municipalities ranked in the top third of the regional net tax rate rankings. The average gross tax rate in 2003 for Milwaukee County municipalities was \$27.68, while the next highest average tax rate was more than \$5.00 lower.

Looming in the distance is the unpleasant prospect of cuts in state aid. Under Governor Doyle's proposed state budget, municipal governments that depend the most upon state aid will lose the most in dollar values. If the City of Milwaukee government added the lost aid to its property tax levy, the tax rate would increase 43 cents.



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Highlights

- The 2003 hypothetical net tax rate for the Southeastern Wisconsin region is \$21.57, a significant decrease from \$22.22 in 2002.
- The hypothetical owner of a \$150,000 house in Southeastern Wisconsin would pay \$3,235.50 in total property taxes in 2003.
- If municipalities in Southeastern Wisconsin compensated for proposed state shared revenue cuts by adding the lost money to the tax levy, Milwaukee County's municipal taxpayers would experience the most substantial dollar increase in their tax rates. The hypothetical rate would increase 31 cents, from \$8.40 to \$8.71.
- Governor Doyle's proposed budget also includes changes to the school funding formula that could affect local taxpayers. If the governor's budget had been in effect during the 2002-03 school year, the Milwaukee Public Schools would have received \$24 million less in general and categorical aids. Such cuts may also be transferred to the tax levy.

Annual Spending and Taxing Report

This report on property taxes is the second in a series of three that the Forum releases every year in its annual spending and taxing analysis, which includes the 29 cities, 55 villages, and 63 towns in the seven-county Southeast Wisconsin region. Look for the Forum's analysis on municipal revenues and expenditures to be released later this spring.

To receive a copy of this report, go to our website, www.publicpolicyforum.org, or contact the Forum at 633 W. Wisconsin Avenue, Suite 406, Milwaukee, WI 53203. Phone: (414)276-8240.



The Significance of Property Tax Rates

Property tax rates (the rates at which property owners are taxed by local taxing jurisdictions) are determined using two factors: tax levies and property values. Those governments that typically levy taxes are the following: public school districts, municipal governments, county governments, state forestry, vocational schools, and various special districts (such as the Milwaukee Metropolitan Sewerage District). Every year, each of these governments determines the amount of money that needs to be raised in property taxes; this number is the tax levy. The levy is then divided by the taxing jurisdiction's total equalized property value and multiplied by 1,000. The number that results from this calculation is the jurisdiction's tax rate. Since a single property is located within several different taxing jurisdictions, each of the separate tax rates must be added together in order to determine the total rate at which each property owner is taxed; the number that results when these rates are added together is the gross tax rate. However, the gross tax rate is not the final determination of the property owner's bill. The state provides two types of tax credits: a school levy credit and a lottery and gaming credit. Since these credits must go directly toward reducing taxes, the municipalities (which are charged with administering the tax bills for each of the jurisdictions which serve their residents) apply the tax credit directly to the tax rate. Thus, the gross tax rate minus the state credit rate is the net tax rate; it is this rate which actually determines how much each property owner pays in property taxes.

This Research Brief presents tax levies and rates for 2002-2003. The two-year time period is used for a variety of reasons. First, the tax levy for each jurisdiction was determined in 2002, and the tax bills were sent out in 2002. Also, the tax rates were based on 2002 property values since 2003 property values do not have to be equalized until August of 2003. The year 2003 is used because tax payments are not due until 2003, and, more importantly, the taxes that are collected are used for 2003 funding. When dealing with years in this Research Brief, the final year of the time period is used. Thus, 2002-2003 tax rates will be referred to as 2003 rates.

There are some important caveats to dealing with tax rate analysis, some of which will be discussed throughout this Research Brief. First, tax rates are reported by municipality; therefore, some tax rates reported are hypothetical because many municipalities have overlapping taxing jurisdictions, and tax rates are thus different depending on where a person lives or a business is located within that municipality. Also, it is important to realize that tax rate comparisons can be unfair because services vary among municipalities, and some services are financed with fees rather than taxes in certain municipalities. Finally, this analysis is based on numbers that are self-reported by municipalities to the Department of Revenue.



Tax Levies vs. Tax Rates

For the past several years, the Public Policy Forum has ranked municipalities according to their net tax rates. Such a comparison is useful because it illustrates which communities charge the highest tax rates and thus where property owners will be required to pay the largest tax bill on a house that is valued the same.

However, a comparison of tax rates over time is not as valuable an analysis. This is due to the fact that increasing property values often obscure taxation trends. For example, steadily decreasing tax rates are not necessarily an indication that property owners' tax payments are going down. On the contrary, governments with significant increases in property values will be able to decrease their tax rates and still receive the same amount of, or more, tax revenue. Thus, a comparison of tax levies over time better illustrates both trends in governments' tax revenue and the extent to which property owners are relied upon to provide revenue to the government.

2002-2003 Tax Levy Changes

Table 2 on pages 6 through 8 shows both one-year and 11-year changes in the tax levy by municipality for each major component of the gross tax levy: the school district, county government, and municipal government. Although there were often significant changes to the levies for the technical college, state forestry, special district, and TIF district components, these taxing jurisdictions levy a relatively small amount of the total, and discussion of their changes would obscure trends in the more substantial tax levies.

Southeastern Wisconsin's aggregate gross tax levy increased 3.8% between 2002 and 2003. Municipal governments played the most significant role in the increase, as the region's aggregate municipal tax levy increased 5% between 2002 and 2003, more than any other major component. Southeastern Wisconsin's school districts came in a distant second, with a 3.1% increase, almost two percentage points

less than the municipal governments' far more substantial increase. County governments increased their tax levy 2.9%.

Table 1 ranks the counties from the largest aggregate levy increase to the smallest for the gross tax levy and each major component of the levy, while Table 2 shows what those changes were. The tables show that Walworth County's aggregate gross tax levy increased 6.1%, more than any other county's aggregate levy. Kenosha County came in second with a 5.3% increase, while Washington County's municipalities were third, increasing 4.8%. Next was Waukesha County with a 4.5% increase, followed by Milwaukee with a 3.3% increase and Ozaukee with a 3.2% increase. Racine County's municipalities only increased their gross levy 1.3%, due in large part to a 4.3% decrease in school district levies.

It is also useful to analyze tax levy increases as compared to inflation. This is due to the fact that if a

Table 1. Rankings by 2002-2003 Levy Increases

County	Gross Levy Increase	School District Levy Increase	County Levy Increase	Municipal Levy Increase
Walworth	1	2	2	2
Kenosha	2	4	1	6
Washington	3	1	5	3
Waukesha	4	5	4	1
Milwaukee	5	6	6	4
Ozaukee	6	3	7	7
Racine	7	7	3	5

tax levy increase is at or below the rate of inflation, it is not considered a real increase since it is reasonable for a government to increase its spending and thus its tax revenue at a rate to compensate for inflationary increases in its expenses. In this inflation analysis, the Forum used the inflation rate between 2001 and 2002 for two reasons. First, the 2002-2003 inflation



Gross Tax Levies Increase at Slower Pace than Last Year

rate is currently unknown since the year is not over yet. Also, it makes sense to use the previous year's inflation rate because governments use that rate in determining their spending levels. The 2001-2002 inflation rate was 1.3%.

In Southeastern Wisconsin, the region's gross aggregate and each of its components increased faster than inflation. Further, each county's municipal government levy increased faster than inflation, although Ozaukee County's 1.9% increase was minimally higher. However, at the county government level, both Ozaukee and Milwaukee Counties experienced real decreases in their levies. Also, Racine County experienced both a substantial non-inflation adjusted decrease and a real decrease in its school district aggregate levy. This allowed Racine County to be the only county in the region wherein the aggregate gross tax levy increase was at the inflation level.

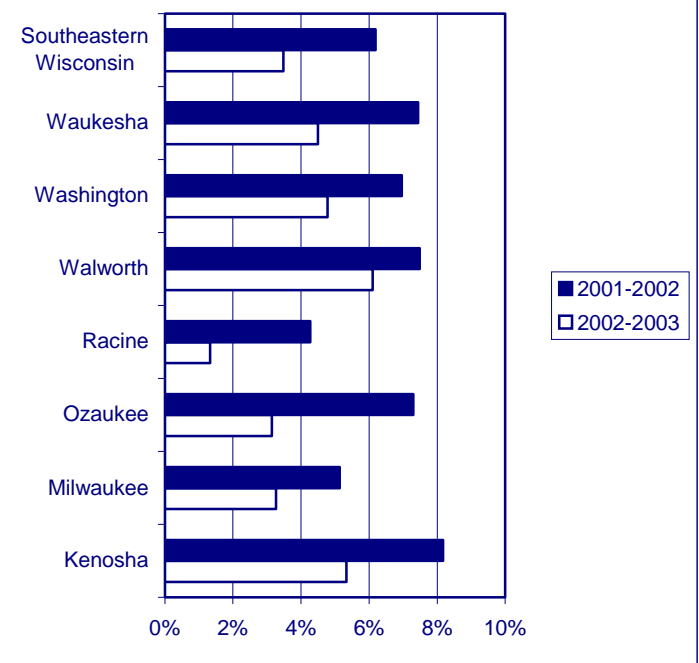
2003's One-Year Increase Compared to 2002's One-Year Increase

Chart 1 indicates that although nearly all of the county's aggregate gross tax levy increases between 2002 and 2003 were above the level of inflation, those increases were significantly less than last year's one-year levy increases. The region's increase between 2001 and 2002 was 6.2%, over two percentage points higher than this year's one-year increase and 4.4 percentage points higher than that year's inflation rate. Kenosha County's municipalities experienced the largest gross tax levy increase between 2001 and 2002, 8.2%. This was followed by Walworth, with a 7.5% increase and Waukesha with a 7.4% increase. Ozaukee County's municipalities increased their gross tax levies 7.3%, while Washington County's increased 7%. Milwaukee County's increase was 5.1%, while Racine County's gross tax levies only increased 4.3%. Each of these increases was greater than the 2003 one-year increases. Ozaukee County municipalities had the

most substantial difference between their 2002 and 2003 one-year changes, with 4.1 percentage points between the two percent changes. On the other hand, there was only 1.4 percentage points difference between Walworth County's 2003 change and 2002 change.

Each of the major components of the tax levy contributed to the more substantial gross tax levy increase in 2002 as compared to the one-year increase in 2003. However, the most significant contributor to this phenomenon was the county government tax levies. In Southeastern Wisconsin, there was a 4 percentage point difference between the 6.9% county levy one-year increase in 2002 and the 2.9% increase in 2003. This can largely be explained by both the Milwaukee and Ozaukee County governments' efforts to keep their tax levies flat between 2002 and 2003.

Chart 1. 2001-2002 and 2002-2003 Tax Levy Changes by County Aggregate





Milwaukee Gross Tax Levies Increase Slower than Inflation, Income

1992-2003 Tax Levy Changes

Table 2 not only shows one-year changes in tax levies; it also has a multi-year comparison which shows tax levy changes between 1992 and 2003. One-year and multi-year comparisons are both valuable, but for different reasons. A multi-year analysis of tax levy change has the benefit of revealing long-term trends in the level at which governments depend on taxes to fund government spending. However, there is a disadvantage to a long-term analysis; such a comparison will obscure any trends that have appeared in the short-term, which is why one-year change analyses are also important.

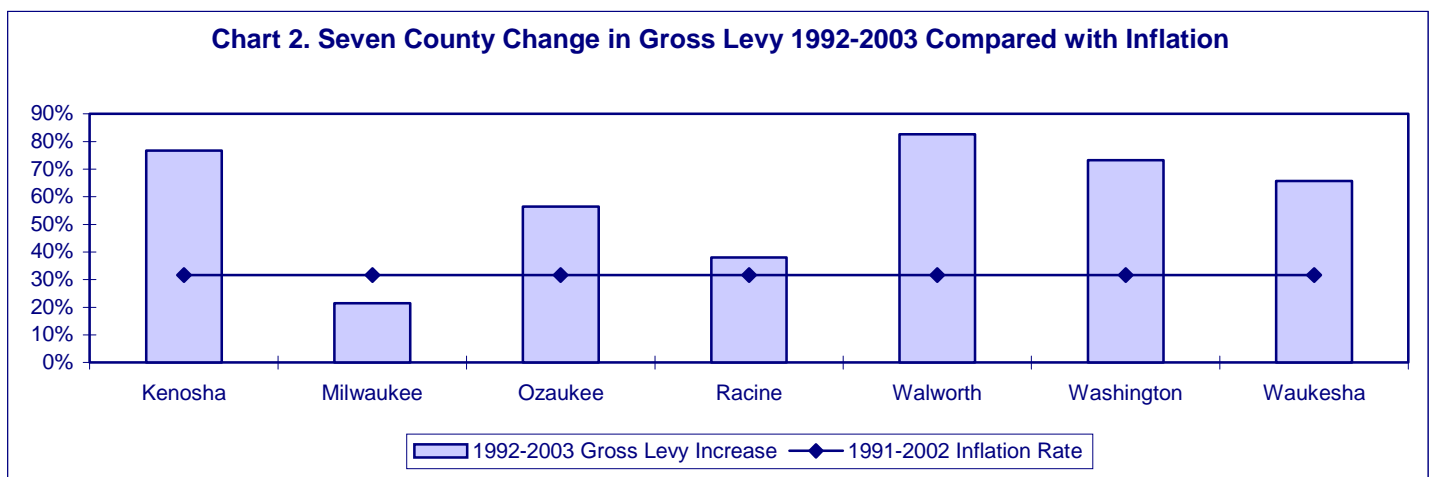
Between 1992 and 2003, the region's gross tax levy increased 42.6%, above the 31.6% inflation rate. Municipal governments were the most responsible for this increase; the regional municipal levy increased 76.2%, while county government levy increases were not far behind at 75.6%. The region's school district levy was the only one that increased below inflation, 16.8%. This real decrease in the school districts' tax levy can be largely explained by the state's decision to fund two-thirds of school district costs in the 1990s.

In terms of each of the county aggregates, Milwaukee County municipalities were the only ones to increase their gross tax levies below the rate of inflation between 1992 and 2003 (21.5% increase).

Racine County's aggregate gross tax levies increased 38%, followed by Ozaukee's 56.5% increase and Waukesha's 65.7% increase. Washington County's gross tax levy increased 73.2%, while Kenosha County's increased 76.7%, and Walworth County municipalities had the most substantial gross levy increase, 82.7%.

Although levies that increase faster than inflation are real increases to the property tax burden imposed upon property owners, such increases do not necessarily indicate that government spending is increasing too fast. The reason for the tax levy increases could be that expenses are outpacing inflation increases. Also, tax levy increases can be an indicator of growth in the community. Additionally, it must be remembered that incomes tend to increase as well, which could mean that although taxes are increasing, so is the ability of property owners to pay those taxes.

The chart on page 18 indicates that in most cases throughout the region, tax levies have not increased as fast as income when both are shown as per capita. This indicates that tax levy increases have been at least partially as a result of growth in population. Only Walworth County's per capita gross tax levy has increased at a faster rate than has the county's per capita income.





One-Year and Eleven-Year Tax Levy Changes

Municipality	2002-2003 Levy Changes				1992-2003 Levy Changes			
	Gross	Sch Dist	County	Municipal	Gross	Sch Dist	County	Municipal
Kenosha County	5.34%	3.82%	7.86%	3.50%	76.74%	28.88%	162.59%	128.18%
Town of Brighton	3.09%	-1.49%	11.99%	0.74%	71.58%	33.24%	187.09%	128.24%
Town of Bristol	5.81%	7.16%	4.93%	4.93%	35.36%	15.37%	100.85%	24.30%
Town of Paris	1.87%	2.00%	4.38%	4.38%	-2.51%	11.24%	97.57%	745.39%
Town of Randall	4.02%	0.48%	9.30%	5.66%	44.24%	8.35%	121.01%	122.21%
Town of Salem	7.97%	4.20%	13.28%	10.05%	101.90%	47.94%	201.38%	266.15%
Town of Somers	0.18%	-1.07%	1.83%	1.87%	71.58%	14.53%	141.30%	1880.62%
Town of Wheatland	2.23%	-0.11%	5.59%	6.50%	58.60%	22.64%	150.18%	179.22%
Village of Paddock Lake	4.71%	-2.48%	8.38%	12.44%	76.16%	14.46%	144.81%	220.16%
Village of Pleasant Prairie	7.82%	3.92%	6.98%	4.09%	141.63%	93.83%	308.23%	291.92%
Village of Silver Lake	6.23%	4.63%	14.03%	1.85%	62.44%	22.31%	165.50%	84.04%
Village of Twin Lakes	5.15%	2.89%	10.08%	4.37%	63.35%	23.76%	128.48%	115.03%
City of Kenosha	5.06%	5.15%	8.04%	2.82%	72.01%	19.04%	145.17%	111.15%
Milwaukee County	3.27%	2.88%	0.35%	4.90%	21.54%	-4.29%	55.57%	49.51%
Village of Bayside	4.33%	3.21%	3.93%	3.93%	42.06%	28.32%	42.46%	105.73%
Village of Brown Deer	-2.62%	-1.47%	4.97%	5.00%	16.56%	-2.23%	28.24%	67.37%
Village of Fox Point	6.96%	5.78%	6.25%	6.97%	46.54%	44.88%	62.97%	49.22%
Village of Greendale	2.44%	3.15%	-2.45%	4.53%	26.95%	10.80%	44.77%	65.15%
Village of Hales Corners	-0.59%	-4.46%	-2.94%	4.79%	15.35%	7.02%	70.02%	83.23%
Village of River Hills	0.20%	-1.63%	-0.75%	2.17%	39.99%	41.90%	55.37%	35.79%
Village of Shorewood	8.48%	10.03%	4.67%	6.50%	36.34%	19.04%	63.59%	41.63%
Village of West Milwaukee	8.14%	4.67%	10.66%	6.30%	1.37%	-30.62%	38.27%	38.14%
Village of Whitefish Bay	3.53%	3.47%	-0.22%	6.33%	35.63%	20.42%	70.32%	47.47%
City of Cudahy	3.62%	0.59%	-2.50%	4.30%	39.77%	-12.81%	51.25%	85.26%
City of Franklin	3.09%	0.26%	3.96%	5.02%	116.35%	54.77%	151.79%	259.24%
City of Glendale	0.34%	2.87%	1.47%	5.47%	32.09%	22.47%	42.98%	60.37%
City of Greenfield	1.74%	2.27%	-0.45%	1.04%	31.45%	4.51%	62.97%	65.94%
City of Milwaukee	3.12%	3.70%	-1.30%	4.88%	8.70%	-16.35%	45.56%	30.83%
City of Oak Creek	2.50%	2.15%	1.30%	0.25%	89.84%	61.96%	172.36%	179.21%
City of Saint Francis	7.17%	7.37%	2.15%	3.16%	46.93%	4.65%	76.25%	101.52%
City of South Milwaukee	10.58%	19.44%	0.90%	5.04%	41.42%	11.55%	62.72%	70.28%
City of Wauwatosa	5.58%	3.06%	3.74%	8.09%	19.63%	-8.15%	52.11%	46.85%
City of West Allis	1.64%	-4.61%	0.85%	5.95%	13.15%	-25.84%	47.67%	64.09%
Ozaukee County	3.15%	4.51%	-0.23%	1.86%	56.52%	37.40%	45.50%	98.82%
Town of Belgium	5.46%	6.31%	2.14%	0.01%	37.89%	18.36%	52.43%	175.02%
Town of Cedarburg	6.13%	4.93%	0.55%	14.33%	46.15%	27.36%	40.49%	120.58%
Town of Fredonia	1.63%	-0.20%	0.80%	6.11%	44.51%	21.57%	55.85%	162.91%
Town of Grafton	3.84%	8.58%	-2.01%	-14.74%	44.49%	26.42%	38.64%	195.87%
Town of Port Washington	-2.04%	-1.03%	-1.71%	-11.48%	34.35%	5.66%	43.68%	491.57%
Town of Saukville	-0.39%	-1.32%	-1.00%	-2.00%	52.55%	37.84%	72.74%	44.84%
Village of Belgium	8.10%	11.23%	1.55%	6.83%	117.03%	79.18%	144.51%	221.88%
Village of Fredonia	2.97%	0.84%	1.32%	9.83%	60.73%	36.56%	68.50%	65.13%
Village of Grafton	8.34%	11.26%	0.49%	6.25%	62.46%	37.15%	49.60%	127.33%
Village of Saukville	1.56%	-0.30%	-1.26%	3.98%	81.10%	54.96%	98.86%	233.16%
Village of Thiensville	3.47%	4.31%	-0.24%	2.89%	28.41%	15.80%	3.85%	33.33%
City of Cedarburg	1.59%	5.80%	1.52%	5.05%	47.06%	20.91%	33.43%	97.61%
City of Mequon	2.22%	3.71%	-0.81%	-1.43%	73.74%	68.84%	51.58%	94.78%
City of Port Washington	1.89%	0.43%	-0.62%	0.88%	27.24%	-6.10%	21.41%	60.83%
Racine County	1.33%	-4.33%	6.70%	3.71%	38.04%	-3.49%	87.96%	71.49%
Town of Burlington	4.43%	-0.92%	7.16%	16.68%	48.57%	6.50%	93.75%	127.45%
Town of Caledonia	0.66%	-6.66%	7.84%	3.69%	50.00%	-5.04%	102.77%	159.81%

Note: County totals are for all municipalities that fall within the county borders, including those municipalities that are in more than one county. However, municipalities that are in more than one county are only included under their primary county in this table.

Table 2 (Page 1 of 3)



One-Year and Eleven-Year Tax Levy Changes

Municipality	2002-2003 Levy Changes				1992-2003 Levy Changes			
	Gross	Sch Dist	County	Municipal	Gross	Sch Dist	County	Municipal
Town of Dover	1.73%	-1.32%	7.62%	-0.47%	48.55%	1.78%	80.67%	410.65%
Town of Mount Pleasant	0.82%	-7.61%	6.74%	7.57%	47.83%	-1.54%	110.27%	161.40%
Town of Norway	8.65%	10.97%	11.03%	1.17%	95.21%	56.10%	156.43%	175.62%
Town of Raymond	7.92%	5.74%	10.27%	12.91%	65.13%	24.06%	108.90%	219.98%
Town of Rochester	4.30%	2.68%	8.08%	5.23%	106.00%	55.19%	137.60%	1771.21%
Town of Waterford	2.54%	0.02%	8.38%	0.00%	106.34%	79.60%	159.27%	171.86%
Town of Yorkville	0.17%	-1.29%	3.60%	-0.63%	63.91%	30.16%	98.58%	173.67%
Village of Elmwood Park	-2.92%	-9.44%	5.25%	0.12%	-11.49%	-33.21%	42.74%	-8.18%
Village of North Bay	-5.93%	-13.09%	0.85%	-2.62%	-10.10%	-44.05%	19.35%	50.63%
Village of Rochester	5.23%	3.48%	8.80%	6.30%	98.82%	52.47%	121.67%	5739.88%
Village of Sturtevant	-1.49%	-10.83%	3.54%	5.50%	123.10%	1.10%	115.83%	138.96%
Village of Union Grove	8.98%	12.22%	10.72%	3.13%	112.39%	81.97%	148.28%	223.62%
Village of Waterford	11.65%	5.32%	10.64%	7.23%	171.43%	114.27%	211.31%	192.80%
Village of Wind Point	-3.65%	-10.43%	4.04%	-0.43%	-15.84%	-45.28%	16.82%	62.35%
City of Burlington	4.87%	-0.16%	8.13%	7.73%	60.62%	-4.17%	70.62%	84.45%
City of Racine	-1.56%	-10.43%	3.45%	1.74%	7.19%	-30.23%	44.60%	27.75%
Walworth County	6.11%	4.76%	7.59%	6.22%	82.72%	48.20%	147.23%	121.02%
Town of Bloomfield	4.06%	2.34%	8.27%	3.90%	81.90%	48.91%	128.29%	133.74%
Town of Darien	-0.84%	-2.03%	3.86%	-29.62%	19.55%	-8.89%	105.95%	-42.45%
Town of Delavan	10.22%	6.34%	11.91%	14.72%	71.79%	25.85%	155.78%	124.74%
Town of East Troy	5.93%	5.48%	6.11%	8.87%	66.98%	30.63%	163.15%	61.10%
Town of Geneva	5.63%	2.73%	7.92%	14.82%	117.73%	74.83%	157.86%	563.96%
Town of La Fayette	-0.82%	3.74%	-2.66%	-13.10%	61.69%	23.80%	139.61%	216.60%
Town of La Grange	12.21%	15.83%	9.99%	7.49%	59.54%	26.48%	145.58%	99.35%
Town of Linn	11.51%	8.23%	10.17%	40.19%	106.30%	95.13%	131.45%	133.72%
Town of Lyons	3.94%	2.92%	8.42%	-8.36%	94.82%	64.52%	186.02%	105.55%
Town of Richmond	1.82%	-0.70%	6.29%	-0.01%	73.97%	37.15%	172.10%	96.91%
Town of Sharon	-3.72%	-4.27%	-3.83%	-0.91%	9.70%	-19.29%	46.95%	121.88%
Town of Spring Prairie	-0.23%	-4.12%	-0.98%	13.40%	84.75%	18.44%	150.78%	730.69%
Town of Sugar Creek	13.56%	19.15%	10.55%	0.27%	55.71%	27.56%	145.53%	27.31%
Town of Troy	2.34%	2.07%	2.02%	5.27%	83.17%	32.23%	164.51%	270.35%
Town of Walworth	-1.38%	-1.25%	1.81%	-9.47%	61.63%	34.44%	107.33%	146.55%
Town of Whitewater	1.54%	-1.54%	5.98%	-0.24%	37.99%	12.48%	120.70%	20.85%
Village of Darien	0.97%	-4.25%	1.74%	3.08%	177.69%	43.79%	220.95%	369.49%
Village of East Troy	9.20%	10.01%	10.90%	7.41%	92.48%	75.78%	249.49%	62.30%
Village of Fontana	6.32%	5.16%	8.00%	8.01%	97.42%	104.08%	128.70%	51.87%
Village of Genoa City	5.76%	-0.86%	6.16%	-9.13%	194.98%	81.39%	170.85%	148.96%
Village of Sharon	3.98%	4.14%	2.13%	6.45%	131.12%	57.02%	163.55%	342.45%
Village of Walworth	2.99%	2.20%	4.89%	3.39%	67.79%	50.95%	153.60%	44.80%
Village of Williams Bay	4.89%	2.88%	11.80%	0.01%	96.54%	111.77%	162.59%	23.76%
City of Delavan	3.51%	1.39%	7.74%	5.00%	60.71%	-3.69%	114.97%	234.21%
City of Elkhorn	9.72%	10.74%	1.36%	8.82%	110.50%	70.14%	219.88%	160.18%
City of Lake Geneva	7.02%	5.49%	11.23%	1.80%	80.82%	56.18%	139.07%	106.34%
City of Whitewater	1.25%	-2.58%	5.10%	0.35%	83.91%	29.27%	150.44%	148.48%
Washington County	4.78%	5.64%	2.30%	5.08%	73.15%	34.10%	122.11%	138.88%
Town of Addison	1.76%	1.93%	0.60%	6.80%	72.94%	32.55%	94.08%	476.09%
Town of Barton	5.14%	5.82%	3.19%	4.42%	58.03%	13.06%	109.97%	286.16%
Town of Erin	5.68%	3.19%	9.99%	2.99%	92.68%	57.76%	159.60%	244.76%
Town of Farmington	3.13%	2.40%	2.91%	2.88%	83.73%	52.14%	153.14%	108.23%
Town of Germantown	9.29%	11.38%	1.02%	29.38%	4.54%	-9.97%	54.05%	-12.52%
Town of Hartford	-2.17%	-4.77%	-4.24%	26.35%	46.40%	17.93%	94.28%	263.99%
Town of Jackson	5.71%	8.12%	3.05%	0.00%	48.84%	14.80%	105.95%	150.00%
Town of Kewaskum	3.06%	1.94%	2.46%	5.01%	55.09%	25.01%	108.07%	92.82%
Town of Polk	0.66%	1.22%	-1.33%	0.00%	69.27%	50.03%	123.26%	45.60%

Note: County totals are for all municipalities that fall within the county borders, including those municipalities that are in more than one county. However, municipalities that are in more than one county are only included under their primary county in this table.

Table 2 (Page 2 of 3)



One-Year and Eleven-Year Tax Levy Changes

Municipality	2002-2003 Levy Changes				1992-2003 Levy Changes			
	Gross	Sch Dist	County	Municipal	Gross	Sch Dist	County	Municipal
Town of Richfield	6.63%	7.95%	3.81%	2.14%	75.04%	48.90%	127.31%	180.59%
Town of Trenton	-3.15%	0.78%	-2.69%	-17.81%	32.07%	1.10%	93.32%	61.97%
Town of Wayne	2.32%	4.60%	5.09%	-11.65%	79.96%	43.05%	138.06%	153.34%
Town of West Bend	5.99%	7.03%	4.18%	1.23%	69.56%	37.84%	137.10%	170.02%
Village of Germantown	7.82%	11.04%	0.73%	7.12%	78.83%	43.17%	134.30%	144.85%
Village of Jackson	11.99%	13.27%	9.58%	7.44%	277.96%	176.76%	425.24%	934.37%
Village of Kewaskum	5.60%	2.44%	3.43%	10.85%	83.40%	50.87%	140.44%	180.95%
Village of Newburg	2.74%	0.77%	-2.57%	11.00%	98.40%	44.58%	176.75%	522.92%
Village of Slinger	3.87%	0.95%	0.01%	4.82%	197.25%	93.65%	168.06%	360.48%
City of Hartford	3.77%	1.11%	2.87%	7.46%	85.20%	39.52%	124.77%	131.20%
City of West Bend	3.36%	5.38%	2.19%	4.61%	51.12%	2.41%	87.52%	98.23%
Waukesha County	4.51%	3.81%	3.90%	6.85%	65.65%	43.50%	63.72%	119.87%
Town of Brookfield	-3.30%	-4.37%	-1.21%	-3.41%	40.17%	17.10%	47.12%	110.00%
Town of Delafield	7.05%	7.31%	7.32%	4.15%	91.16%	80.23%	118.76%	159.08%
Town of Eagle	0.86%	-0.95%	3.13%	3.79%	81.66%	55.86%	122.65%	164.59%
Town of Genesee	3.27%	3.02%	4.65%	-0.52%	66.11%	41.96%	86.24%	295.82%
Town of Lisbon	5.57%	5.33%	3.84%	8.23%	61.25%	33.01%	64.77%	388.02%
Town of Merton	5.98%	6.02%	5.50%	5.17%	86.94%	69.36%	95.09%	184.74%
Town of Mukwonago	7.18%	7.18%	6.59%	7.27%	90.50%	54.67%	96.25%	287.10%
Town of Oconomowoc	2.68%	0.78%	4.50%	6.18%	57.65%	30.71%	81.86%	145.47%
Town of Ottawa	5.06%	7.08%	6.78%	-8.02%	87.17%	60.64%	110.28%	244.13%
Town of Summit	2.73%	1.60%	3.90%	4.55%	56.97%	37.23%	89.43%	78.24%
Town of Vernon	13.26%	5.80%	5.22%	80.68%	39.78%	23.41%	56.62%	63.88%
Town of Waukesha	-0.17%	-2.56%	1.86%	7.34%	27.38%	8.29%	42.78%	146.41%
Village of Big Bend	-2.13%	-1.01%	-1.79%	-3.67%	80.93%	28.12%	59.14%	208.76%
Village of Butler	-1.34%	-1.89%	-3.32%	0.00%	8.53%	-10.84%	6.90%	19.17%
Village of Chenequa	7.90%	8.68%	10.46%	4.19%	91.53%	78.03%	96.93%	106.43%
Village of Dousman	13.16%	16.71%	16.32%	12.72%	164.88%	68.61%	122.09%	667.65%
Village of Eagle	-6.59%	4.70%	15.28%	-0.80%	109.72%	44.76%	133.35%	309.21%
Village of Elm Grove	4.45%	4.91%	1.68%	4.87%	49.94%	31.67%	15.00%	135.28%
Village of Hartland	7.18%	4.84%	5.57%	10.15%	131.26%	123.00%	142.39%	173.90%
Village of Lac La Belle	8.22%	11.10%	15.50%	-8.89%	121.49%	93.91%	177.34%	131.71%
Village of Lannon	5.67%	7.00%	5.40%	2.63%	34.65%	7.34%	37.88%	146.09%
Village of Menomonee Falls	4.44%	3.02%	2.17%	4.74%	69.91%	50.57%	61.33%	73.32%
Village of Merton	7.16%	8.62%	4.94%	5.17%	135.76%	106.49%	165.59%	379.94%
Village of Mukwonago	3.75%	2.83%	2.32%	5.30%	106.35%	67.60%	109.22%	161.68%
Village of Nashotah	5.87%	5.30%	7.45%	5.36%	181.16%	253.21%	261.89%	289.55%
Village of North Prairie	2.80%	2.69%	2.24%	2.93%	193.20%	160.45%	246.99%	545.09%
Village of Oconomowoc Lake	8.97%	6.75%	10.98%	11.73%	88.33%	53.75%	119.33%	172.84%
Village of Pewaukee	7.51%	9.16%	4.82%	5.30%	127.54%	119.91%	136.25%	128.91%
Village of Sussex	5.31%	5.44%	3.58%	8.90%	122.64%	127.23%	187.56%	386.04%
Village of Wales	5.14%	8.81%	8.44%	6.78%	47.32%	21.49%	59.74%	191.63%
City of Brookfield	4.90%	4.37%	1.23%	7.86%	58.56%	46.10%	28.23%	102.63%
City of Delafield	3.73%	2.44%	2.49%	6.57%	107.46%	74.81%	108.74%	181.05%
City of Muskego	9.78%	9.68%	2.63%	14.47%	84.97%	65.74%	98.86%	237.33%
City of New Berlin	3.29%	1.56%	2.88%	4.45%	62.34%	31.66%	43.26%	131.22%
City of Oconomowoc	3.99%	14.70%	18.96%	18.09%	54.54%	24.79%	74.61%	106.81%
City of Pewaukee	7.23%	6.79%	6.46%	9.19%	93.90%	72.77%	105.46%	214.03%
City of Waukesha	2.45%	-1.05%	3.19%	5.72%	37.81%	7.40%	38.87%	86.72%
Southeastern Wisconsin	3.81%	3.11%	2.93%	5.00%	42.55%	16.82%	75.62%	76.23%

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Table 2 (Page 3 of 3)



Property Owners Pay More than Taxes for Services

Comparing tax rates among municipalities is not a perfect method in determining which communities charge their residents the most for services. One reason is that there is a marked difference in spending between cities and smaller villages and towns. For example, bigger cities traditionally provide their own services, such as police and fire protection as well as sanitation, which must be funded under the city's budget. On the other hand, smaller villages and towns are often small enough that they can share services with each other or count on county governments for services.

Also, smaller municipalities may not provide the full range of services that cities do. For example, residents of towns may have to pay for their own wells and septic systems, while water and sewer services are provided by cities. Therefore, tax rates in towns are generally lower than those in cities. However, this does not mean that town residents are getting more bang for their buck; they may just be getting less bang.

Another reason that tax rates between municipalities are not completely accurate determinants of the burden on each resident's shoulders is that certain services in some municipalities are paid for by user fees rather than the tax levy. Therefore, although the tax rate comparison indicates how much taxpayers in each municipality pay in property taxes, it does not in many cases portray the entire municipal services bill.

For example, in the City of Milwaukee, property owners are required to pay the regular tax bill, which goes to fund such services as police and fire protection as well as the general government. However, they must also pay separate fees for sewer maintenance, snow and ice removal, and solid waste collection. Additionally, street sweeping and leaf collection are not covered by the levy; they are covered under the sewer maintenance fee. Therefore, to compare Milwaukee's tax rate to other cities' tax rates is

not necessarily fair because other cities may pay for all of those services with the tax levy.

One way to determine which services are being covered by the tax levy and which services are being covered by fees in a municipality is to look for enterprise funds. While taxes go to the general fund to finance services in a government, the purpose of an enterprise fund is to cover the costs of a specific service through user fees. A cursory look at the City of Brookfield budget reveals that the city has two enterprise funds, one for water utility and one for sewer utility. It is typical for these services to be financed with fees, as both the City of West Allis and the City of Milwaukee also have enterprise funds for these purposes. However, the City of West Allis has additional enterprise funds, one for Beloit Road Public Housing and one for a parking system. The City of Milwaukee, in addition to the water and sewer utility enterprise funds, has a parking fund, a Port of Milwaukee fund, and a sewer maintenance fund.

There is an important caveat in looking at enterprise funds in order to determine which services are funded by user fees. Specifically, the existence of enterprise funds is not the only way to tell if fees are being charged for a service rather than it being financed through the tax levy. For example, in the City of Milwaukee, both the solid waste fee and the snow and ice removal fee go directly into the general fund. Therefore, users of tax rankings should find out as much as possible about their government in order to determine whether the tax rate is a reasonable indication of the actual burden that residents must shoulder in order to pay for services.



Milwaukee County's Rates Highest, but Increasing More Slowly

Table 3 on the next two pages ranks each of the municipalities in the seven-county area by their 2003 net tax rates. The Village of West Milwaukee had the highest tax rate in Southeastern Wisconsin at \$32.37, although this rate was down significantly from 2002, when the village's tax rate was \$35.00. Kenosha County's Town of Paris had the lowest tax rate in the region, \$10.94. Paris' tax rate is so low because the town government does not charge its property owners taxes; additionally, the town actually pays its property owners' share of the county levy.

All of Milwaukee County's municipalities ranked in the top third in terms of their net tax rates. Walworth County's municipalities, which came in second in the rankings, were still substantially behind Milwaukee County; 37% of Walworth's municipalities ranked in the top third. A third of Kenosha County's municipalities ranked in the top third, while Ozaukee County came next with 28.6%, followed by Racine County with 22.2%. A relatively small 20% of Washington County's municipalities ranked in the top third, while only 10.8% of Waukesha County's municipalities ranked in the top third.

The vast majority of cities (79.3%) ranked in the top third in terms of net tax rates, while 45.5% of villages ranked high, and only 1.6% of towns had high tax rates. This makes sense in light of the fact that cities traditionally provide the most services; cities need to have higher tax rates to pay for more services. On the other hand, towns are unincorporated, and often do not provide as many services as do larger municipalities.

Table 3 also shows the net tax rates and rankings for each municipality from 2002. A comparison of this year's rankings with last year's rankings reveals those municipalities that are increasing their tax rates relative to the rest of the municipalities in the region. In this regard, Washington County ranks first with 70% of its municipalities increasing their rankings from last year. Walworth County came in second with 55.6%, followed by Racine County with 44.4% and Ozaukee County with 42.9%. In Waukesha

County, 37.8% of municipalities increased their rankings, while 36.8% of Milwaukee County's rankings increased. Kenosha County's municipalities' tax rates increased the least relative to the rest of the region's municipalities, with only 25% increasing their rankings.

Table 4 on pages 13 through 15 breaks down gross tax rates into their separate components for each municipality in the region. The table reveals that Milwaukee County's average gross tax rate for its municipalities was by far the highest in Southeastern Wisconsin. Milwaukee County's average gross tax rate in 2003 was \$27.68, while the next highest tax rate was more than \$5.00 lower, \$22.57 in Kenosha County. Further, the City of Wauwatosa had the lowest gross tax rate in Milwaukee County, \$24.68, a rate that was significantly higher than both the region average and the rates for the rest of the counties. The municipal component of the gross tax rate is the major reason that Milwaukee County's gross tax rates were relatively high in 2003. Specifically, Milwaukee County's average municipal tax rate, \$8.40, was more than a dollar higher than the next highest municipal average, \$7.01 in Racine County. Milwaukee County's relatively high municipal and gross tax rates make sense because the county has proportionately more cities than the rest of the counties in the region. As we have seen, cities traditionally have higher tax rates due to the fact that they provide more services than other municipalities.

Table 4 also reveals that the school district tax rate was the most substantial of the tax rate components. In Southeastern Wisconsin, \$9.73 of the \$23.02 gross tax rate went to school districts, while \$6.33 went to municipal governments, \$3.92 was distributed to county governments, and \$1.67 went to technical colleges. This pattern was reflected in every county's gross tax rates except in Ozaukee County where the technical college tax rate was higher than that of the county government, and in Walworth County where the county rate was higher than the municipal rate.



2003 Net Tax Rate Rankings

Municipality	2003 Net Tax Rate	2003 Rank	2002 Net Tax Rate	2002 Rank
Kenosha County	\$21.28	--	\$22.01	--
Town of Brighton	\$17.11	101	\$18.64	81
Town of Bristol	\$18.97	67	\$18.77	77
Town of Paris	\$10.94	147	\$11.19	147
Town of Randall	\$16.19	118	\$17.03	109
Town of Salem	\$18.24	77	\$19.09	74
Town of Somers	\$17.98	85	\$18.35	86
Town of Wheatland	\$17.84	86	\$18.44	84
Village of Paddock Lake	\$20.96	38	\$21.71	39
Village of Pleasant Prairie	\$18.86	69	\$19.42	69
Village of Silver Lake	\$20.66	44	\$22.14	32
Village of Twin Lakes	\$20.24	49	\$21.19	44
City of Kenosha	\$24.55	22	\$25.41	20
Milwaukee County	\$26.19	--	\$26.78	--
Village of Bayside	\$26.70	8	\$27.99	8
Village of Brown Deer	\$26.07	11	\$28.01	7
Village of Fox Point	\$25.31	17	\$26.42	13
Village of Greendale	\$28.27	3	\$28.37	4
Village of Hales Corners	\$25.50	16	\$26.39	14
Village of River Hills	\$25.11	18	\$26.29	17
Village of Shorewood	\$27.32	6	\$27.79	9
Village of West Milwaukee	\$32.37	1	\$35.00	1
Village of Whitefish Bay	\$24.57	20	\$24.98	22
City of Cudahy	\$27.91	5	\$28.27	5
City of Franklin	\$26.42	10	\$28.05	6
City of Glendale	\$24.56	21	\$25.32	21
City of Greenfield	\$25.50	13	\$26.31	16
City of Milwaukee	\$26.66	9	\$26.89	12
City of Oak Creek	\$25.04	19	\$26.32	15
City of Saint Francis	\$28.42	2	\$28.46	3
City of South Milwaukee	\$25.62	12	\$24.80	23
City of Wauwatosa	\$23.49	24	\$24.24	24
City of West Allis	\$27.23	7	\$28.52	2
Ozaukee County	\$18.18	--	\$18.89	--
Town of Belgium	\$14.41	136	\$14.92	140
Town of Cedarburg	\$16.34	111	\$16.68	116
Town of Fredonia	\$14.31	138	\$15.26	135
Town of Grafton	\$15.93	121	\$16.19	123

Municipality	2003 Net Tax Rate	2003 Rank	2002 Net Tax Rate	2002 Rank
Town of Port Washington	\$15.89	122	\$17.19	107
Town of Saukville	\$14.26	140	\$15.29	134
Village of Belgium	\$18.45	75	\$18.49	82
Village of Fredonia	\$19.06	65	\$19.94	60
Village of Grafton	\$20.98	37	\$20.92	50
Village of Saukville	\$20.21	51	\$21.23	43
Village of Thiensville	\$21.07	35	\$21.81	37
City of Cedarburg	\$20.94	39	\$21.79	38
City of Mequon	\$17.11	100	\$17.93	93
City of Port Washington	\$20.36	46	\$21.59	40
Racine County	\$20.74	--	\$21.86	--
Town of Burlington	\$18.35	76	\$18.34	88
Town of Caledonia	\$19.26	60	\$20.93	49
Town of Dover	\$18.13	81	\$18.70	79
Town of Mount Pleasant	\$18.56	72	\$19.92	61
Town of Norway	\$18.23	79	\$18.45	83
Town of Raymond	\$18.04	83	\$17.94	91
Town of Rochester	\$18.10	82	\$18.40	85
Town of Waterford	\$19.20	62	\$19.88	62
Town of Yorkville	\$18.48	74	\$18.72	78
Village of Elmwood Park	\$16.24	115	\$17.75	98
Village of North Bay	\$19.82	55	\$21.52	41
Village of Rochester	\$18.20	80	\$18.34	89
Village of Sturtevant	\$19.86	54	\$21.15	46
Village of Union Grove	\$22.86	27	\$22.66	29
Village of Waterford	\$23.39	25	\$23.59	27
Village of Wind Point	\$17.67	89	\$19.27	72
City of Burlington	\$22.41	30	\$22.50	30
City of Racine	\$24.40	23	\$26.10	18
Walworth County	\$18.93	--	\$19.22	--
Town of Bloomfield	\$21.32	34	\$22.14	33
Town of Darien	\$13.50	145	\$14.10	145
Town of Delavan	\$17.23	98	\$17.40	102
Town of East Troy	\$16.25	113	\$16.27	122
Town of Geneva	\$18.49	73	\$18.86	76
Town of La Fayette	\$16.24	116	\$15.97	125
Town of La Grange	\$16.61	104	\$16.18	124
Town of Linn	\$17.61	90	\$17.36	103
Town of Lyons	\$16.39	110	\$17.12	108

Note: County totals are for all municipalities that fall within the county borders, including those municipalities that are in more than one county. However, municipalities that are in more than one county are only included under their primary county in this table.

Table 3 (Page 1 of 2)



2003 Net Tax Rate Rankings

Municipality	2003 Net Tax Rate	2003 Rank	2002 Net Tax Rate	2002 Rank	Municipality	2003 Net Tax Rate	2003 Rank	2002 Net Tax Rate	2002 Rank
Town of Richmond	\$16.25	114	\$17.02	110	Waukesha County	\$18.18	--	\$18.80	--
Town of Sharon	\$20.17	52	\$20.15	59	Town of Brookfield	\$16.19	117	\$17.31	105
Town of Spring Prairie	\$17.83	87	\$17.76	97	Town of Delafield	\$15.27	127	\$15.97	126
Town of Sugar Creek	\$16.58	105	\$15.93	128	Town of Eagle	\$13.21	146	\$14.20	144
Town of Troy	\$16.43	108	\$16.37	121	Town of Genesee	\$13.98	143	\$14.77	141
Town of Walworth	\$17.31	96	\$17.93	92	Town of Lisbon	\$16.52	106	\$16.88	112
Town of Whitewater	\$16.42	109	\$17.23	106	Town of Merton	\$14.96	131	\$15.53	132
Village of Darien	\$25.50	14	\$25.81	19	Town of Mukwonago	\$14.82	133	\$15.31	133
Village of East Troy	\$20.53	45	\$20.78	52	Town of Oconomowoc	\$14.75	134	\$15.60	130
Village of Fontana	\$17.47	92	\$17.74	99	Town of Ottawa	\$15.06	130	\$15.94	127
Village of Genoa City	\$25.50	15	\$27.52	10	Town of Summit	\$14.47	135	\$15.24	137
Village of Sharon	\$27.91	4	\$27.35	11	Town of Vernon	\$14.16	142	\$13.58	146
Village of Walworth	\$21.76	32	\$22.18	31	Town of Waukesha	\$13.85	144	\$14.74	142
Village of Williams Bay	\$18.23	78	\$19.40	70	Village of Big Bend	\$20.22	50	\$21.25	42
City of Delavan	\$23.00	26	\$23.64	26	Village of Butler	\$20.68	43	\$21.13	47
City of Elkhorn	\$22.15	31	\$20.83	51	Village of Chenequa	\$19.04	66	\$20.26	58
City of Lake Geneva	\$22.80	28	\$23.92	25	Village of Dousman	\$19.45	57	\$20.38	57
City of Whitewater	\$20.81	40	\$21.90	34	Village of Eagle	\$17.60	91	\$20.40	55
Washington County	\$18.52	--	\$18.81	--	Village of Elm Grove	\$20.34	47	\$20.65	53
Town of Addison	\$17.19	99	\$17.80	95	Village of Hartland	\$18.88	68	\$19.65	67
Town of Barton	\$14.92	132	\$15.26	136	Village of Lac La Belle	\$15.13	128	\$16.75	115
Town of Erin	\$16.33	112	\$17.72	100	Village of Lannon	\$18.63	71	\$19.22	73
Town of Farmington	\$14.32	137	\$14.93	139	Village of Menomonee Falls	\$19.92	53	\$20.50	54
Town of Germantown	\$17.45	94	\$16.61	117	Village of Merton	\$17.45	93	\$17.79	96
Town of Hartford	\$16.43	107	\$16.87	113	Village of Mukwonago	\$19.14	63	\$19.75	66
Town of Jackson	\$15.69	124	\$15.93	129	Village of Nashotah	\$18.65	70	\$19.76	65
Town of Kewaskum	\$15.80	123	\$16.38	120	Village of North Prairie	\$17.07	103	\$17.88	94
Town of Polk	\$15.11	129	\$15.55	131	Village of Oconomowoc Lake	\$15.53	126	\$16.43	119
Town of Richfield	\$17.29	97	\$17.54	101	Village of Pewaukee	\$19.53	56	\$19.87	63
Town of Trenton	\$14.25	141	\$15.01	138	Village of Sussex	\$17.67	88	\$17.98	90
Town of Wayne	\$15.67	125	\$16.81	114	Village of Wales	\$16.17	119	\$17.36	104
Town of West Bend	\$14.31	139	\$14.69	143	City of Brookfield	\$19.13	64	\$19.28	71
Village of Germantown	\$21.03	36	\$20.40	56	City of Delafield	\$18.03	84	\$18.69	80
Village of Jackson	\$19.23	61	\$19.86	64	City of Muskego	\$19.41	58	\$18.87	75
Village of Kewaskum	\$19.28	59	\$19.57	68	City of New Berlin	\$20.29	48	\$21.18	45
Village of Newburg	\$17.10	102	\$16.91	111	City of Oconomowoc	\$17.35	95	\$18.35	87
Village of Slinger	\$21.44	33	\$21.86	35	City of Pewaukee	\$16.05	120	\$16.58	118
City of Hartford	\$22.45	29	\$23.19	28	City of Waukesha	\$20.77	41	\$21.85	36
City of West Bend	\$20.70	42	\$21.03	48	Southeast Wisconsin	\$21.57	--	\$22.22	--

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Table 3 (Page 2 of 2)



2003 Gross Tax Rates by Component

Municipality	Total Gross Tax Rate	School District Tax Rate	Tech College Tax Rate	County Tax Rate	Municipal Tax Rate	Special District Tax Rate
Kenosha County	\$22.57	\$9.02	\$1.52	\$4.90	\$6.41	\$0.03
Town of Brighton	\$18.59	\$10.23	\$1.56	\$5.26	\$1.35	\$0.00
Town of Bristol	\$20.46	\$10.47	\$1.56	\$5.26	\$2.91	\$0.07
Town of Paris	\$12.05	\$10.30	\$1.56	\$5.26	-\$5.26	\$0.00
Town of Randall	\$17.55	\$8.77	\$1.56	\$4.88	\$2.08	\$0.07
Town of Salem	\$19.67	\$9.63	\$1.56	\$4.88	\$3.18	\$0.23
Town of Somers	\$19.32	\$9.00	\$1.56	\$5.26	\$3.30	\$0.00
Town of Wheatland	\$19.45	\$10.49	\$1.56	\$5.26	\$1.93	\$0.02
Village of Paddock Lake	\$22.34	\$8.63	\$1.56	\$4.88	\$6.87	\$0.20
Village of Pleasant Prairie	\$20.06	\$8.59	\$1.48	\$5.02	\$3.86	\$0.00
Village of Silver Lake	\$22.13	\$9.44	\$1.56	\$4.88	\$6.05	\$0.00
Village of Twin Lakes	\$21.71	\$9.54	\$1.56	\$4.88	\$5.48	\$0.06
City of Kenosha	\$25.76	\$8.76	\$1.51	\$4.75	\$9.84	\$0.00
Milwaukee County	\$27.68	\$9.91	\$1.96	\$4.98	\$8.40	\$1.62
Village of Bayside	\$28.58	\$12.30	\$2.01	\$5.09	\$7.29	\$1.70
Village of Brown Deer	\$28.00	\$11.52	\$2.01	\$5.09	\$7.49	\$1.70
Village of Fox Point	\$27.13	\$12.28	\$2.01	\$5.09	\$5.86	\$1.70
Village of Greendale	\$30.32	\$13.77	\$2.01	\$5.09	\$7.56	\$1.70
Village of Hales Corners	\$27.31	\$10.89	\$1.97	\$4.99	\$7.07	\$1.67
Village of River Hills	\$27.01	\$12.15	\$2.01	\$5.09	\$5.87	\$1.70
Village of Shorewood	\$29.02	\$12.32	\$1.95	\$4.94	\$7.12	\$1.65
Village of West Milwaukee	\$33.81	\$9.54	\$2.00	\$5.06	\$15.14	\$1.69
Village of Whitefish Bay	\$26.26	\$11.85	\$2.01	\$5.09	\$5.42	\$1.70
City of Cudahy	\$29.51	\$10.17	\$1.70	\$4.30	\$7.19	\$1.44
City of Franklin	\$28.14	\$11.40	\$1.92	\$4.87	\$7.02	\$1.55
City of Glendale	\$26.17	\$10.40	\$1.95	\$4.93	\$6.24	\$1.65
City of Greenfield	\$27.05	\$10.12	\$2.01	\$5.09	\$7.94	\$1.70
City of Milwaukee	\$28.07	\$9.48	\$1.96	\$4.97	\$9.16	\$1.66
City of Oak Creek	\$26.28	\$8.92	\$1.98	\$5.03	\$8.17	\$1.66
City of Saint Francis	\$29.93	\$10.15	\$1.97	\$4.98	\$10.35	\$1.66
City of South Milwaukee	\$27.06	\$10.70	\$1.99	\$5.03	\$8.85	\$0.00
City of Wauwatosa	\$24.68	\$7.70	\$1.97	\$4.98	\$7.66	\$1.67
City of West Allis	\$28.85	\$9.43	\$1.97	\$5.00	\$10.09	\$1.67
Ozaukee County	\$19.70	\$10.36	\$1.97	\$1.94	\$4.98	\$0.00
Town of Belgium	\$15.96	\$10.30	\$1.81	\$2.24	\$1.41	\$0.00
Town of Cedarburg	\$17.88	\$10.97	\$2.01	\$1.93	\$2.77	\$0.00
Town of Fredonia	\$15.78	\$9.57	\$1.83	\$2.24	\$1.96	\$0.00
Town of Grafton	\$17.59	\$11.55	\$2.01	\$1.93	\$1.90	\$0.00
Town of Port Washington	\$17.59	\$10.67	\$2.01	\$2.24	\$2.48	\$0.00
Town of Saukville	\$15.89	\$10.62	\$2.01	\$2.24	\$0.83	\$0.00
Village of Belgium	\$19.84	\$9.79	\$1.58	\$2.13	\$5.22	\$0.00
Village of Fredonia	\$20.50	\$9.63	\$1.82	\$2.03	\$4.94	\$0.00
Village of Grafton	\$22.51	\$11.34	\$1.97	\$1.90	\$6.71	\$0.00
Village of Saukville	\$21.85	\$10.67	\$2.01	\$1.93	\$7.05	\$0.00
Village of Thiensville	\$22.53	\$9.31	\$1.89	\$1.82	\$8.01	\$0.00
City of Cedarburg	\$22.49	\$10.95	\$2.01	\$1.93	\$7.40	\$0.00
City of Mequon	\$18.58	\$9.89	\$2.01	\$1.93	\$4.55	\$0.00
City of Port Washington	\$21.89	\$9.92	\$1.87	\$1.79	\$6.58	\$0.00
Racine County	\$22.08	\$7.92	\$1.50	\$4.62	\$7.01	\$0.13
Town of Burlington	\$19.83	\$7.87	\$1.56	\$6.13	\$3.42	\$0.65
Town of Caledonia	\$20.49	\$7.53	\$1.56	\$4.31	\$6.43	\$0.47
Town of Dover	\$19.70	\$8.41	\$1.56	\$6.13	\$3.40	\$0.00

Note: County totals are for all municipalities that fall within the county borders, including those municipalities that are in more than one county. However, municipalities that are in more than one county are only included under their primary county in this table.

Table 4 (Page 1 of 3)



2003 Gross Tax Rates by Component

Municipality	Total Gross Tax Rate	School District Tax Rate	Tech College Tax Rate	County Tax Rate	Municipal Tax Rate	Special District Tax Rate
Town of Mount Pleasant	\$19.80	\$7.53	\$1.56	\$4.31	\$6.20	\$0.00
Town of Norway	\$19.83	\$10.75	\$1.46	\$4.96	\$1.91	\$0.56
Town of Raymond	\$19.59	\$9.04	\$1.56	\$6.13	\$2.66	\$0.00
Town of Rochester	\$19.69	\$9.39	\$1.56	\$5.85	\$2.62	\$0.08
Town of Waterford	\$20.97	\$10.01	\$1.56	\$6.13	\$3.07	\$0.00
Town of Yorkville	\$20.14	\$9.61	\$1.56	\$6.13	\$2.64	\$0.00
Village of Elmwood Park	\$17.53	\$7.53	\$1.56	\$4.30	\$3.94	\$0.00
Village of North Bay	\$21.19	\$7.53	\$1.56	\$4.30	\$7.60	\$0.00
Village of Rochester	\$19.86	\$10.02	\$1.56	\$5.85	\$2.24	\$0.00
Village of Sturtevant	\$20.76	\$5.29	\$1.09	\$3.02	\$5.04	\$0.00
Village of Union Grove	\$24.38	\$10.91	\$1.56	\$5.84	\$5.87	\$0.00
Village of Waterford	\$24.89	\$9.60	\$1.49	\$5.60	\$6.98	\$0.00
Village of Wind Point	\$18.97	\$7.53	\$1.56	\$4.30	\$5.19	\$0.20
City of Burlington	\$23.71	\$6.70	\$1.32	\$4.97	\$7.02	\$0.00
City of Racine	\$25.65	\$7.22	\$1.49	\$3.86	\$11.84	\$0.00
Walworth County	\$20.34	\$9.12	\$1.50	\$4.96	\$3.61	\$0.15
Town of Bloomfield	\$23.20	\$11.74	\$1.56	\$5.21	\$3.94	\$0.54
Town of Darien	\$14.81	\$7.43	\$1.56	\$5.21	\$0.42	\$0.00
Town of Delavan	\$18.45	\$7.75	\$1.56	\$5.21	\$2.82	\$0.92
Town of East Troy	\$17.50	\$8.27	\$1.56	\$5.21	\$1.91	\$0.35
Town of Geneva	\$20.11	\$10.56	\$1.56	\$5.21	\$2.58	\$0.00
Town of La Fayette	\$17.74	\$9.25	\$1.56	\$5.21	\$1.52	\$0.00
Town of La Grange	\$17.95	\$9.59	\$1.56	\$5.21	\$0.90	\$0.48
Town of Linn	\$19.00	\$9.76	\$1.56	\$5.21	\$2.23	\$0.04
Town of Lyons	\$17.89	\$9.91	\$1.56	\$5.21	\$1.01	\$0.00
Town of Richmond	\$17.77	\$9.30	\$1.56	\$5.21	\$1.38	\$0.13
Town of Sharon	\$22.21	\$10.72	\$1.56	\$5.21	\$4.52	\$0.00
Town of Spring Prairie	\$19.23	\$8.10	\$1.56	\$5.21	\$4.06	\$0.09
Town of Sugar Creek	\$17.99	\$9.51	\$1.56	\$5.21	\$1.41	\$0.10
Town of Troy	\$17.76	\$8.35	\$1.56	\$5.21	\$2.35	\$0.09
Town of Walworth	\$18.98	\$9.92	\$1.56	\$5.21	\$2.05	\$0.05
Town of Whitewater	\$18.03	\$9.74	\$1.56	\$5.21	\$0.91	\$0.41
Village of Darien	\$26.68	\$6.56	\$1.37	\$4.42	\$11.04	\$0.00
Village of East Troy	\$21.70	\$7.99	\$1.50	\$4.84	\$6.44	\$0.00
Village of Fontana	\$18.84	\$8.74	\$1.56	\$5.01	\$3.34	\$0.00
Village of Genoa City	\$27.07	\$9.21	\$1.13	\$3.63	\$5.53	\$0.00
Village of Sharon	\$29.75	\$11.76	\$1.45	\$4.65	\$9.60	\$0.00
Village of Walworth	\$23.38	\$10.80	\$1.56	\$5.01	\$5.82	\$0.00
Village of Williams Bay	\$19.65	\$9.18	\$1.56	\$5.01	\$3.71	\$0.00
City of Delavan	\$24.12	\$6.40	\$1.34	\$4.31	\$8.56	\$0.00
City of Elkhorn	\$23.42	\$8.38	\$1.35	\$4.33	\$6.05	\$0.00
City of Lake Geneva	\$24.27	\$10.05	\$1.40	\$4.52	\$5.76	\$0.00
City of Whitewater	\$22.27	\$8.67	\$1.38	\$4.46	\$5.14	\$0.00
Washington County	\$19.86	\$9.23	\$1.61	\$3.68	\$4.32	\$0.06
Town of Addison	\$18.54	\$9.60	\$1.56	\$3.96	\$2.47	\$0.75
Town of Barton	\$16.06	\$7.67	\$1.56	\$3.96	\$2.65	\$0.01
Town of Erin	\$17.86	\$10.42	\$1.56	\$3.96	\$1.70	\$0.02
Town of Farmington	\$15.66	\$8.65	\$1.56	\$3.96	\$1.29	\$0.00
Town of Germantown	\$19.15	\$11.65	\$2.01	\$3.97	\$1.33	\$0.00
Town of Hartford	\$18.14	\$10.57	\$1.56	\$3.96	\$1.84	\$0.01
Town of Jackson	\$16.94	\$8.86	\$1.72	\$3.96	\$2.20	\$0.00
Town of Kewaskum	\$17.17	\$8.65	\$1.56	\$3.96	\$2.80	\$0.00
Town of Polk	\$16.50	\$9.66	\$1.61	\$3.96	\$0.91	\$0.16

Note: County totals are for all municipalities that fall within the county borders, including those municipalities that are in more than one county. However, municipalities that are in more than one county are only included under their primary county in this table.

Table 4 (Page 2 of 3)



2003 Gross Tax Rates by Component

Municipality	Total Gross Tax Rate	School District Tax Rate	Tech College Tax Rate	County Tax Rate	Municipal Tax Rate	Special District Tax Rate
Town of Richfield	\$18.93	\$11.56	\$1.72	\$3.96	\$1.50	\$0.00
Town of Trenton	\$15.40	\$7.43	\$1.56	\$3.96	\$2.21	\$0.03
Town of Wayne	\$16.99	\$8.65	\$1.56	\$3.96	\$2.62	\$0.00
Town of West Bend	\$15.41	\$8.19	\$1.56	\$3.96	\$1.10	\$0.40
Village of Germantown	\$22.61	\$11.05	\$1.91	\$3.47	\$4.84	\$0.00
Village of Jackson	\$20.05	\$6.08	\$1.27	\$3.22	\$5.38	\$0.00
Village of Kewaskum	\$20.64	\$8.65	\$1.56	\$3.65	\$6.57	\$0.00
Village of Newburg	\$18.23	\$7.43	\$1.56	\$3.96	\$5.08	\$0.00
Village of Slinger	\$22.48	\$7.48	\$1.22	\$2.85	\$5.83	\$0.00
City of Hartford	\$24.01	\$10.26	\$1.45	\$3.40	\$7.07	\$0.00
City of West Bend	\$21.75	\$7.16	\$1.50	\$3.52	\$8.57	\$0.00
Waukesha County	\$19.70	\$10.35	\$1.38	\$2.33	\$4.96	\$0.02
Town of Brookfield	\$17.73	\$9.60	\$1.41	\$2.57	\$3.94	\$0.00
Town of Delafield	\$16.73	\$11.06	\$1.41	\$2.57	\$1.32	\$0.16
Town of Eagle	\$14.49	\$8.73	\$1.41	\$2.31	\$1.64	\$0.20
Town of Geneseo	\$15.39	\$9.75	\$1.41	\$2.57	\$1.46	\$0.00
Town of Lisbon	\$18.25	\$11.37	\$1.41	\$2.31	\$2.91	\$0.06
Town of Merton	\$16.55	\$10.97	\$1.41	\$2.31	\$1.65	\$0.01
Town of Mukwonago	\$16.09	\$8.82	\$1.41	\$2.57	\$3.05	\$0.04
Town of Oconomowoc	\$16.15	\$9.24	\$1.41	\$2.57	\$2.52	\$0.21
Town of Ottawa	\$16.46	\$10.22	\$1.41	\$2.57	\$1.97	\$0.09
Town of Summit	\$15.86	\$9.49	\$1.41	\$2.57	\$2.12	\$0.07
Town of Vernon	\$15.46	\$8.82	\$1.41	\$2.57	\$2.45	\$0.00
Town of Waukesha	\$15.34	\$9.40	\$1.41	\$2.57	\$1.75	\$0.00
Village of Big Bend	\$21.63	\$8.82	\$1.41	\$2.31	\$8.89	\$0.00
Village of Butler	\$22.49	\$10.54	\$1.33	\$2.17	\$6.94	\$0.00
Village of Chenequa	\$20.61	\$11.44	\$1.41	\$2.57	\$4.99	\$0.00
Village of Dousman	\$20.45	\$8.71	\$1.19	\$2.16	\$4.97	\$0.00
Village of Eagle	\$18.79	\$8.58	\$1.41	\$2.31	\$6.29	\$0.00
Village of Elm Grove	\$21.93	\$10.75	\$1.41	\$2.31	\$7.26	\$0.00
Village of Hartland	\$20.35	\$11.06	\$1.33	\$2.18	\$4.40	\$0.00
Village of Lac La Belle	\$16.32	\$9.04	\$1.41	\$2.57	\$2.99	\$0.11
Village of Lannon	\$20.36	\$11.05	\$1.41	\$2.57	\$5.12	\$0.00
Village of Menomonee Falls	\$21.55	\$10.86	\$1.32	\$2.17	\$5.71	\$0.00
Village of Merton	\$18.92	\$10.55	\$1.41	\$2.57	\$4.18	\$0.00
Village of Mukwonago	\$20.34	\$8.82	\$1.41	\$2.32	\$7.55	\$0.04
Village of Nashotah	\$20.39	\$12.40	\$1.41	\$2.57	\$3.81	\$0.00
Village of North Prairie	\$18.26	\$8.91	\$1.38	\$2.52	\$4.87	\$0.00
Village of Oconomowoc Lake	\$16.76	\$9.04	\$1.41	\$2.57	\$3.54	\$0.00
Village of Pewaukee	\$21.08	\$11.33	\$1.38	\$2.26	\$5.47	\$0.00
Village of Sussex	\$19.18	\$9.90	\$1.26	\$2.07	\$3.79	\$0.00
Village of Wales	\$17.58	\$10.36	\$1.41	\$2.57	\$3.04	\$0.00
City of Brookfield	\$20.69	\$10.73	\$1.41	\$2.31	\$6.04	\$0.00
City of Delafield	\$19.54	\$10.71	\$1.38	\$2.27	\$4.65	\$0.00
City of Muskego	\$20.96	\$10.96	\$1.39	\$2.28	\$5.85	\$0.00
City of New Berlin	\$22.10	\$11.81	\$1.38	\$2.19	\$5.35	\$0.00
City of Oconomowoc	\$18.54	\$8.89	\$1.39	\$2.27	\$5.40	\$0.09
City of Pewaukee	\$17.49	\$10.57	\$1.41	\$2.57	\$2.73	\$0.00
City of Waukesha	\$22.17	\$9.09	\$1.36	\$2.23	\$8.56	\$0.00
Southeast Wisconsin	\$23.02	\$9.73	\$1.67	\$3.92	\$6.33	\$0.62

Note: County totals are for all municipalities that fall within the county borders, including those municipalities that are in more than one county. However, municipalities that are in more than one county are only included under their primary county in this table.

Table 4 (Page 3 of 3)



Local Governments Would Lose Aid Under Proposed Budget

State aid is a key revenue source for local governments. In fact, governments with low per capita property values depend on state aid to fund services that they cannot afford to finance with property tax revenue. State aid to local governments and school districts make up a substantial portion of state spending. Therefore, the level of state aid obviously depends upon the fiscal condition of state government. As the severity of the state's structural deficit has become clear over the past few years, Governors McCallum and Doyle along with members of the State Legislature have contended that the state can no longer afford the level of aid that local governments have enjoyed in the past. In his executive budget, Governor Doyle has proposed significant cuts to state aid to local governments. Certain members of the legislature have indicated that even deeper cuts may be necessary. Therefore, regardless of the specific budget that eventually passes, it appears likely that local governments will soon need to either find other revenue sources to make up lost state aid or cut spending.

On this and the next page is a summary of significant changes to state aid to local governments that are presented in Governor Doyle's budget as well as an analysis of how much tax rates would increase if municipalities' and counties' loss of state shared revenue was placed on the tax levy. This analysis is based on estimated changes in state aid for 2003 and 2004 payments, provided by the state Legislative Fiscal Bureau, as a result of Governor Doyle's proposed cuts only, not cuts made in previous acts that local governments were already expecting. It should be noted that the governor encourages local governments to refrain from substantially increasing property taxes and that it is more likely that local governments will try to lower spending as much as possible before increasing taxes. Also, our analysis is hypothetical and based on 2003 tax levies and 2002 property values. Actual tax rate changes would be different than the hypothetical ones due to updated property values and tax levies.

State Aid to School Districts

Under current law, the state provides two-thirds of all operations funding for school districts. In return for this aid package, revenue and spending limits are imposed on districts; also, teachers' salaries and benefits

are not allowed to increase over a certain percentage (This provision is known as the QEO.).

Governor Doyle has proposed several changes in the current school funding formula, all of which will affect the level of funding that school districts will have to provide on their own. Most importantly, the governor has stated that the state can no longer afford to fund two-thirds of school costs, a change that will impose a significant burden on school districts. Additionally, the current proposed budget repeals the QEO, which means that not only will school districts have to provide more funding themselves, but they will be unable to hold salary and benefit increases to lower levels. Also, the governor has recommended that the "hold harmless" provision of the funding formula be revoked, meaning that school districts with high per capita property values will no longer receive a certain portion of state aid. There are currently no estimates of the specific impact that these reforms will have on school districts over the next few years, but they will definitely cause a measure of difficulty for school districts as they determine their spending and for taxpayers as reliance upon them will likely be increased. In fact, the Legislative Fiscal Bureau has released estimates of how previous years' funding would have been affected had some of the governor's changes been in effect. The Milwaukee Public Schools would have received \$24 million less in general and categorical aids in 2002-03, a 3.5% reduction from what it actually did receive. The Waukesha School District, which has a wealthier tax base and thus less state aid than Milwaukee in total, would actually have experienced a greater percent reduction, 11.9%, but a smaller dollar figure reduction, \$6.1 million.

State Shared Revenue

State shared revenue is the program under which the state provides aid to municipalities and counties that can be spent on whatever the local governments decide. Most local governments use this aid to supplement their basic services to residents, such as police and fire protection and sanitation.



Milwaukee County's Taxes Affected Most by State Aid Loss

In his budget, Governor Doyle proposes to significantly cut the state shared revenue that local governments are estimated to receive under current law. If the budget is passed as is, most of the cuts will affect municipal governments rather than the county governments. In fact, Table 5 reveals that if the loss of state aid were added to county tax levies, regional county taxpayers would not be over-burdened, with the tax rate only increasing between two and four cents.

However, municipal governments would have to increase their tax rates significantly, as Table 6 reveals. Milwaukee County municipalities' tax rate would increase the most on average, 31 cents, followed by Racine at 27 cents and Kenosha at 24 cents. Municipalities in Washington County would raise their average tax rate 20 cents, while in Walworth County, the increase would be 17 cents, and 16 cents in both Ozaukee and Waukesha Counties.

However, the municipalities with the most substantial tax rate increase as a result of state aid loss would not necessarily be those municipalities with the greatest loss of state aid as a percent of the total. On the contrary, those municipalities that receive the most state aid and thus rely on it the most, such as the City of Milwaukee, would actually lose a relatively small percentage of state aid (3.5%).

Table 5. Change in County Government Tax Rates Under Proposed Budget

County Government	Current Tax Rate	Tax Rate with loss of state aid	Change	Percent Change
Kenosha	\$4.90	\$4.93	\$0.03	0.62%
Milwaukee	\$4.98	\$5.02	\$0.04	0.78%
Ozaukee	\$1.94	\$1.96	\$0.02	1.01%
Racine	\$4.62	\$4.66	\$0.03	0.74%
Walworth	\$4.96	\$4.98	\$0.02	0.41%
Washington	\$3.68	\$3.71	\$0.02	0.68%
Waukesha	\$2.33	\$2.35	\$0.02	0.84%

Note: County equalized values and tax levy totals are for all municipalities that fall within county borders, including those municipalities in more than one county.

However, since such municipalities rely on aid extensively, they are in the worst position to lose it, and would thus have to increase their tax rates the most to compensate; Milwaukee would have to increase its tax rate 43 cents.

Table 6. Change in Municipal Government Tax Rates Under Proposed Budget

Municipal Government Aggregate	Current Tax Rate	Estimated Tax Rate with loss of state aid	Change	Percent Change
Kenosha County	\$6.41	\$6.65	\$0.24	3.77%
Milwaukee County	\$8.40	\$8.71	\$0.31	3.68%
Ozaukee County	\$4.97	\$5.13	\$0.16	3.15%
Racine County	\$7.01	\$7.28	\$0.27	3.91%
Walworth County	\$3.61	\$3.78	\$0.17	4.63%
Washington County	\$4.32	\$4.52	\$0.20	4.62%
Waukesha County	\$4.96	\$5.12	\$0.16	3.17%

Note: Tax levy and equalized value totals are for only primary municipalities in each county.

Table 7. Projected Increase in Tax Rates as a Result of Loss of State Aid: Top Ten Municipalities in Which the Tax Rate Increases Most

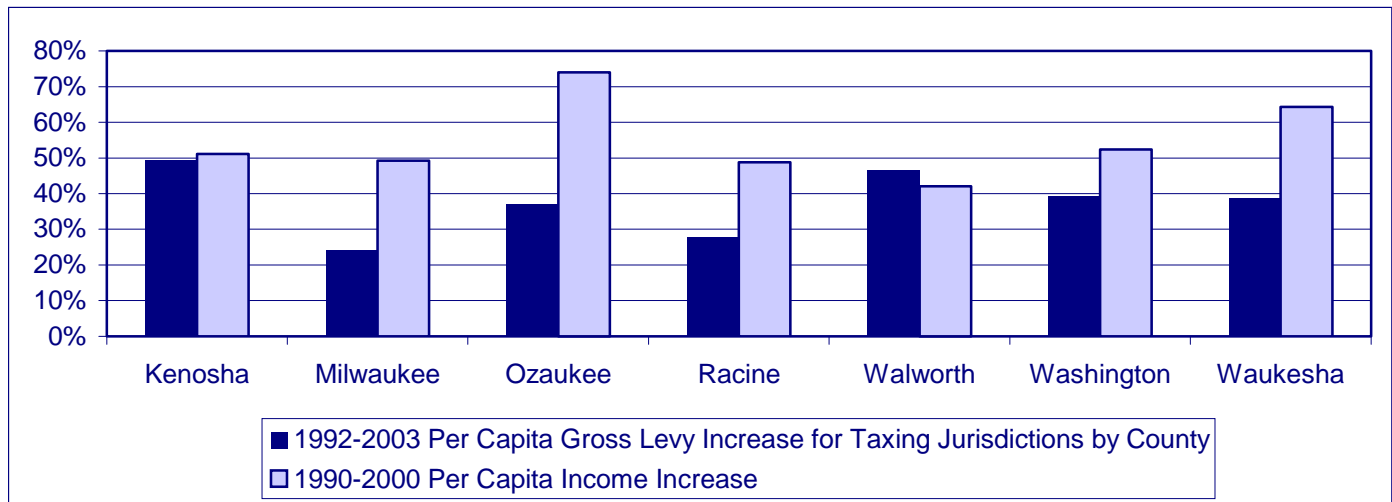
Municipality	Current Tax Rate	Tax Rate with loss of state aid	Change	Rank
City of Whitewater*	\$5.14	\$5.64	\$0.51	1
City of Milwaukee*	\$9.16	\$9.59	\$0.43	2
City of Racine	\$11.84	\$12.25	\$0.41	3
Village of Sharon	\$9.60	\$10.00	\$0.40	4
Village of Newburg*	\$5.08	\$5.44	\$0.35	5
City of South Milwaukee	\$8.85	\$9.19	\$0.34	6
Village of Darien	\$11.04	\$11.36	\$0.32	7
Village of Rochester	\$2.24	\$2.56	\$0.32	8
Village of Union Grove	\$5.87	\$6.18	\$0.31	9
City of Kenosha	\$9.84	\$10.15	\$0.31	10

* Municipalities in more than one county — Tax rates were calculated using totals only in each municipality's primary county, but state aid totals are for the entire municipality.

2003 Property Tax Analysis



Ten-Year Increase in Property Tax Levies and Income Per Person



Between 1992 and 2003, gross tax levies throughout Southeastern Wisconsin (except in Milwaukee County) increased faster than inflation. However, per capita income increased faster than did per capita tax levies in every county except for Walworth.

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