



Wisconsin Taxpayers Alliance

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NEWS

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Towns Cover 94% of Badger State WISTAX Study Shows Town Spending Up 12.3% over Five Years

MADISON—Long before there was a United States, town government was active in America. By the early 1800s, New Englanders had brought it to Wisconsin. Today, Wisconsin is one of only 14 states outside New England with town government, according to a new report from the Wisconsin Taxpayers Alliance (WISTAX), a nonprofit public-policy research organization dedicated to citizen education.

According to the WISTAX report, Wisconsin's 1,259 towns (as of January 2007) cover approximately 94% of the state's 54,310 square miles and are home to 30% of our population. The number of towns has declined slightly in recent years. Due to incorporations and annexations, there were seven fewer towns in 2007 than in 1999. The percentage of Wisconsin's population living in towns dropped to 30.0% in 2006, its lowest level since 1976 (29.8%). In 2007, the percentage rose slightly to 30.1%.

Outside New England, Wisconsin, Illinois, Michigan, Minnesota, and 10 other states have towns. As of 2002, of 20 states, Wisconsin had the seventh-most towns nationally. However, their average size (1,319 people) was seventh smallest. In fact, 89% of Badger towns had populations under 2,500. Nationally, that percentage was just under 75%.

Spending tends to be lower in Wisconsin towns compared to cities and villages primarily due to fewer public services offered than in villages and cities. Towns spent an average of \$424 per capita in 2005, an increase of 12.3% from 2000. The increase in towns was less than in cities (15.5% to \$1,312) and villages (16.8% to \$1,152) over the same period.

According to WISTAX, public works—particularly road maintenance—is generally the largest expenditure for towns, comprising an average of 55.4% of the noncapital total. In 2005, towns spent \$185 per capita on public works, with \$157 going for road construction and maintenance.

Spending on police and fire protection (\$70 per capita and 20.9% of noncapital spending) was the second-largest town expenditure, although it was significantly less than in villages (\$260) and cities (\$399). The study notes that, in 2005, more than 75% of towns had no law enforcement expenditures. While state law

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requires cities with more than 4,000 people and villages with more than 5,000 residents to provide police protection, there is no such requirement for towns, regardless of size.

The new study also reports that, of the \$424 per capita that towns spent in 2005, \$56 was for capital (generally buildings and equipment) and \$34 was for debt service. While total spending per capita rose 12.3% over the five years studied, debt service climbed 21.7%. However, WISTAX researchers noted that the town increase was less than increases in per capita debt in villages (52.6%) and in cities (43.0%).

Because they tend to spend less, towns also collect less total revenues and property taxes. At \$402 per capita, town general revenues in 2005 were less than half the revenues in cities (\$1,096) or villages (\$906). And town property taxes (\$186 per capita) were also less than half of those in villages (\$391) or cities (\$419).

In terms of local government units, Wisconsin has 35.3 cities, villages, towns, and counties per 100,000 population, or more than 2.5 times the national average (13.5). The study noted that states with towns averaged 23.5 units per 100,000 people, while those without towns averaged 6.8. In 2002, states with towns spent an average of \$2,401 per capita on local, nonschool public services. States without towns spent \$2,095. However, at \$2,197 per capita, Wisconsin's spending resembled states without towns.

A copy of *The Wisconsin Taxpayer* report titled "Towns: Wisconsin's Rural Governments" can be obtained by contacting WISTAX by phone at 608.241.9789, by email at wistax@wistax.org, or by mail at 401 North Lawn Ave., Madison, WI 53704-5033. □