



Wisconsin Taxpayers Alliance
401 North Lawn Avenue • Madison, WI 53704-5033
www.wistax.org • 608.241.9789 • fax: 608.241.5807

NEWS

Contact: Kyle C. Christianson or Todd A. Berry
608.241.9789 or wistax@wistax.org
February 12, 2010

Municipal Fee Growth Outpaces Property Taxes Fees Replacing Shortfalls in Traditional City and Village Revenue Sources?

MADISON— Municipal fees increased almost twice as fast as property taxes (80.7% vs. 42.3%) from 2000 to 2007, according to a new report from the Wisconsin Taxpayers Alliance (WISTAX), titled “Municipal Fees and Charges.” Now in its 79th year, WISTAX is a nonpartisan, nonprofit public-policy research organization dedicated to citizen education.

In 2007, fee collections (excluding utility charges) accounted for 8.6% of city and village revenues, up from 6.8% in 2000. Property taxes continued to represent a larger share of all revenues (21.7%), WISTAX said.

Reasons for increased use of municipal fees vary from community to community. But likely factors included stagnant or declining aids from state and federal governments, and the relative ease with which municipalities can impose fees as compared to raising property taxes.

After reviewing all Wisconsin cities and villages, WISTAX focused on the state’s 74 largest municipalities (other than Milwaukee). In these communities, collections from 27 commonly assessed fees totalled \$280.1 million in 2007. This was \$129.7 million, or 96.3% more than the \$150.4 million collected in 2000.

Fee burdens in the 74 municipalities ranged from \$221.06 per capita in Madison to \$18.77 in Plover. The 2007 average was \$106.69 per capita, up from \$62.53 in 2000. In addition to Madison, fees per capita were highest in Pleasant Prairie (\$191.93), Janesville (\$189.87), Oconomowoc (\$186.35), Port Washington (\$183.24), and Muskego (\$182.77). In addition to Plover, municipalities reporting the smallest fees per capita were Waupun (\$25.11), Onalaska (\$40.95), Marinette (\$44.50), and Stevens Point (\$44.51). In total, 37 of 74 municipalities studied had per capita fee collections less than \$100.00.

From 2000 to 2007, per capita fee increases among the 74 municipalities averaged \$44.16. Communities with the largest increases were Superior (+\$136.21), Brown Deer (+\$105.44), and Monroe (+\$102.62). Two municipalities reduced per capita fee collections from 2000 to 2007—Middleton (-\$42.27) and Muskego (-\$11.00).

In dollar terms, the largest fee was for construction and operation of storm sewers. The fee generated \$54.2 million in 2007 vs. \$7.2 million in 2000, with 42 of 74 municipalities imposing the charge. The storm sewer fee was also the highest per capita fee studied, at \$34.58. The second-largest group of fees was fire, ambulance, or EMS services. From 2000 to 2007, collections increased 135.8% from \$18.9 million to \$44.6 million. The fire/

(over)

February 12, 2010

ambulance and EMS service was a particularly popular fee category, with 65 of 74 municipalities studied imposing the charge. On a per capita basis, collections were \$21.13.

Because of its size and scope of services, the City of Milwaukee was covered independently in the report. WISTAX studied the same fee categories used for the city and village comparison. Milwaukee generated \$135.9 million from the 27 preselected fees in 2007, up from \$51.6 million in 2000. Milwaukee residents paid \$230.24 per person in 2007 fees, compared to \$85.23 seven years prior. The city reported substantial fee collections from parking (\$39.3 million), storm sewers (\$37.8 million), and garbage collection (\$27.5 million).

Students of municipal finance concede there are advantages and disadvantages to imposing fees to fund municipal government. A primary advantage is taxpayers pay directly for the services they use or consume. However, others argue fee increases are not as visible as property tax hikes and relying more on fee revenues reduces the transparency of municipal finance.

A free copy of *The Wisconsin Taxpayer* titled "Municipal Fees and Charges" is available by writing WISTAX at 401 North Lawn Ave., Madison, WI 53704-5033; e-mailing wistax@wistax.org; visiting www.wistax.org; or phoning 608.241.9789. □

(Editor's Note: An electronic version of this release is available at www.wistax.org.)