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Info Request

The Wisconsin Taxpayer

A monthly review of Wisconsin government, taxes, and public finance



The township . . . is so constituted as to excite the warmest of human affections without arousing the ambitious passions of the heart of man.

— Alexis de Tocqueville,
Democracy in America

IN BRIEF

Town government has a long history in Wisconsin. The Badger State is one of only 20 states with towns.

- About 30% of the state's population lives in towns, though that percentage has been declining over the last several years due to the creation of new cities and villages.
- Towns are the only local unit of government in Wisconsin where citizens directly vote on the local property tax levy.
- In 2005, town governments spent \$424 per capita, less than half of what was spent in villages and cities. However, towns provide fewer services than cities and villages.
- Nationally, states with towns spent an average of \$2,401 for local, nonschool services. States without towns spent \$2,095. Wisconsin (\$2,197) was more like the latter states.

Also in this issue:

TIF Prevalence • Unclaimed Property • Multiple Job Holding • Sales Tax Slowing?



December 2007 Vol. 75 No. 12

Towns: Wisconsin's Rural Governments

OVERVIEW

Town government has a long history in Wisconsin, having been brought to the state by New Englanders in the early 1800s. However, unlike eastern towns, which reflected settlement patterns, Wisconsin towns were geographical subdivisions of counties, typically following surveyors' township boundaries. A township was usually a six-mile by six-mile square, and the resulting civil entity was called a town. The Badger State remains one of only a few states outside New England to have town governments.

Town governments in Wisconsin were created by the state constitution (Article IV, Section 23) to provide basic municipal services to residents:

The legislature shall establish but one system of town government, which shall be as nearly uniform as practicable . . .

The state constitution similarly empowers the legislature to "provide for the organization of cities and incorporated villages."

Chapter 60 of the Wisconsin state statutes is devoted specifically to towns, providing for their organization and finances. Unlike cities and villages, towns can perform only those functions specifically authorized by state law. Cities and villages have "home rule", that is, they may determine their local affairs and government.

TOWNS IN AMERICA

In addition to being in New England and Wisconsin, town government can also be found in various midwestern and plains states. According to the U.S. Census Bureau, the six New England states continue to have town governments, along with 14 other states, including Wisconsin and three of its neighbors (Illinois, Michigan, and Minnesota).

Number of Towns

Census figures show Wisconsin had 1,265 towns in 2002, seventh most nationally (see table on page two). States with the most towns were Minnesota (1,793), Pennsylvania (1,546), Illinois (1,431), North Dakota (1,332),

Town Characteristics in States with Towns 2002

State	# of Towns	% of Mun. Gov'ts.	Avg. Pop.
Connecticut	149	83.2%	14,121
Illinois	1,431	52.6	6,387
Indiana	1,008	64.0	6,032
Kansas	1,299	67.4	606
Maine	467	95.5	1,972
Massachusetts	306	87.2	10,750
Michigan	1,242	70.0	3,858
Minnesota	1,793	67.7	538
Missouri	312	24.8	979
Nebraska	446	45.6	397
New Hampshire	221	94.4	3,757
New Jersey	242	42.8	17,842
New York	929	60.1	9,319
North Dakota	1,332	78.7	94
Ohio	1,308	58.1	4,179
Pennsylvania	1,546	60.3	4,274
Rhode Island	31	79.5	16,108
South Dakota	940	75.3	144
Vermont	237	83.5	2,097
Wisconsin	1,265	68.4	1,319

and Ohio (1,308). The number of towns in a state is related to its land area. Among states with towns, Wisconsin had the seventh most towns and was ninth largest in land area.

In total, Wisconsin had 1,850 municipal governments in 2002, of which 68.4% were towns. Among states with towns, that percentage put the Badger State in the middle (10th). The six New England states had the largest percentages, while Michigan (70.0%) and Minnesota (67.7%) were similar to Wisconsin.

Average Size

Nationally, the average town had 3,476 residents in 2002. Wisconsin's towns were less than half that size, averaging only 1,319 people. In terms of average size, Wisconsin's towns were seventh smallest nationally.

Across the U.S., just under 75% of towns had populations under 2,500, and 52% were less than 1,000. In Wisconsin, 89% of towns had populations under 2,500; nearly 60% were under 1,000.

States with the largest average town size generally were in the Northeast. Connecticut, Massachusetts, New Jersey, and Rhode Island each averaged more than 10,000 people per town. Six states averaged less than 1,000 residents per town: Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

States Without Towns

A majority of states do not have town governments. County governments generally provide most of the local services for rural residents in these states.

TOWNS IN WISCONSIN

Characteristics

Wisconsin's 1,259 (as of January 1, 2007) towns comprised more than 51,000 of the state's 54,310 square miles of land area, but were home to just over 30% of the state's population.

Many towns are rural in nature, although four—Grand Chute (Outagamie County), Menasha (Winnebago), Richfield (Washington), and Salem (Kenosha)—had 2007 populations of more than 10,000. By contrast, 10 Wisconsin towns had populations of less than 100, including three in Rusk County (Cedar Rapids, Wilkinson, and Wilson), and two each in Juneau (Kingston and Finley) and Clark (Butler and Foster) counties.

In land area (as of the 2000 census), Wisconsin's largest town was Menominee (358.0 square miles), which covers all of Menominee County. The next 17 largest towns were all in the northern part of the state. Among them were Winter (Sawyer County, 279.5 square miles), Stephenson (Marinette, 169.8), Mercer (Iron, 168.0), Sanborn (Ashland, 156.4), Florence (Florence, 153.6), and Gordon (Douglas, 151.8).

Eleven towns had less than 10 square miles. The state's smallest town was Germantown (Washington, 1.7), followed by Madison (Dane, 3.1), Campbell (La Crosse, 3.8),

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Brookfield (Waukesha, 5.5), Manitowoc (Manitowoc, 6.8), and Boscobel (Grant, 6.8).

Declining Town Numbers

The wide variation in town land area is largely the result of creating new cities and villages, and to a smaller degree, annexations of town lands by cities and villages. This has also resulted in declining town populations.

Recently, six towns incorporated as villages: Hobart in Brown County (2002), Bellevue in Brown County (2003), Mount Pleasant in Racine County (2003), Suamico in Brown County (2003), Richfield in Washington County (November 2007), and Caledonia in Racine County (2005). Also, in 2002, the Village of Kronenwetter was created from part of the Town of Kronenwetter. In the following year, the new village annexed the remainder of the town.

The gradual reduction in the number of towns is a long-term trend, though recent declines have been largest. In 1950, Wisconsin had 1,281 towns. By 1970, that number was down to 1,270 (see chart at right). As of January 1, 2007, Wisconsin had 1,259 towns, and the recent incorporation of the Town of Richfield brings the early 2008 number to 1,258.

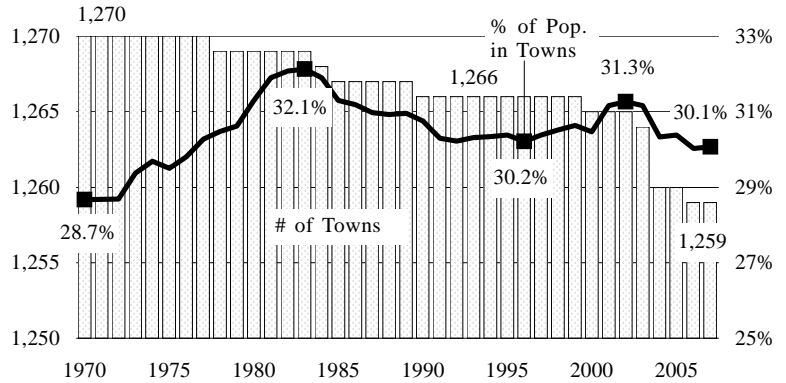
The decline in the number of towns also has reduced the percentage of Wisconsin's population that lives in towns. In 1983, more than 32% of the state's population lived in towns. By 2007, that percentage was down to 30.1%. State law outlines procedures for a town or part of a town to incorporate as a city or village, and for annexation of town lands.

Creating New Cities and Villages. Residents wishing to incorporate must obtain signatures from at least 50 persons who are both electors and landholders in the area to be incorporated (25 signatures if the proposed city or village has fewer than 300 persons). This petition is then filed with and reviewed by the circuit court.

If the court determines certain statutory standards have been met, the petition is referred to the incorporation review board, which is attached to the Wisconsin Department of Administration (DOA). Upon review, the proposal is either granted, dismissed, or dismissed with a recommendation that petitioners submit a new petition that includes more or less territory, as specified in the board's findings.

There are many reasons that town residents may want to incorporate. One is the desire for

Number of Towns, % of Population in Towns Declining 1970-2007



home rule, or a greater ability to organize and govern as they prefer. Town residents may also want to incorporate to prevent annexation by a neighboring city or village.

Annexation. Town land area also has been reduced through annexation by cities or villages. While most annexation petitions are initiated by town landowners, some are started by a neighboring city or village.

Generally, annexations are for small tracts of land. Since January 1, 2000, approximately 1,270 annexation petitions have been filed with DOA. Although the average annexation petition was for about 75 acres, half involved tracts of less than 12.5 acres.

In 2003, the state legislature added new limits on annexation. First, a city or village may not annex town land unless it agrees to pay the town, for five years, an amount equal to the town property taxes (in the year of the annexation) on the land, or enters into a specific boundary agreement with the town. Second, town land may not be annexed if the municipality does not have territory in the county of the territory to be annexed. This limitation can be avoided by a vote of the town and county boards.

Town Government

In a Wisconsin town, most government matters are handled by the town board. However, residents have significant influence on town government through the annual town meeting.

Town Board. The town board consists of three to five members (Menominee may have up to seven members). These supervisors serve two-year terms and are elected in the spring of odd-numbered years.

Town Meeting. One of the most unique aspects of town government in Wisconsin is the

The town meeting is an example of direct democracy in Wisconsin.

town meeting. By law, towns are required to have an annual meeting of the town's eligible voters. This is not a meeting of the town board.

The meeting is held on the second Tuesday in April. The town meeting can set a different date for future meetings, though they must be within 10 days after the second Tuesday in April.

The annual meeting may be held anywhere in the county or in an adjoining county. If the town meeting is held on the second Tuesday in April, no public notice is required. However, if held on a different day or if the location has changed, notice must be given.

State law gives town meetings three kinds of powers: direct powers; directives or grants of authority to the town board; and authorization for the board to spend money.

Direct Powers. Among the powers that can be directly exercised at the meeting are:

- Setting the property tax levy (either a dollar amount or a tax rate);
- Setting compensation for town offices;
- Combining certain town offices or making them part-time.
- Establishing the election of the town board by numbered seats; and
- Designating supervisors as full-time.

At the town meeting, residents may also grant certain authorities to the town board. These grants may be continuing or for a specific time period. The first two direct powers listed above can be delegated to the board. Other powers that may be granted to the board include:

- Increasing the number of supervisors if the town's population is 2,500 or more;
- Issuing general obligation bonds;
- Purchasing land for town purposes;
- Purchasing, leasing, or constructing buildings;
- Disposing of town real property; and
- Assuming "village powers," or the authority to act for the good order of the town "for its commercial benefit, and for the health, safety, welfare, and convenience of the public." These powers are discussed in more detail below.

The town meeting may also authorize the board to appropriate money for conservation of natural resources; civic functions; control of

insects, pests, weeds, or plant or animal diseases; rural numbering systems; or cemetery improvements.

Special Town Meetings

A special town meeting can be called in one of three ways. Those at an annual or special meeting can call for a special meeting at a future date. A written request can be filed with the town clerk. The request must have resident signatures totalling at least 10% of the votes cast in the last governor's election. Third, the special meeting can be called by the town board.

Special meetings can cover any subject the annual meeting covers. Often, a special meeting to approve the tax levy is called in conjunction with the hearing the board must hold before approving the budget. While the town meeting approves the tax levy, the town board, at a subsequent meeting, approves the budget.

A second budget issue that may be addressed at a special meeting is road expenditures. Towns are not allowed to spend more than \$5,000 times the number of town highway miles on construction or maintenance of town roads and bridges. To exceed this amount, approval must be given at the town meeting or at the special meeting in which the tax levy is approved. The amount may also be exceeded if approved at referendum.

Village Powers

Town board powers are limited by state statute. If the board wishes to address a local concern through an ordinance, it must be sure state law provides that authority. For example, towns generally cannot adopt regulatory ordinances.

To avoid these limitations, the town meeting can grant village powers to the board. The board then has all of the powers of a village board, except those conflicting with state law relating to towns and town boards. Granting village powers does not change the town into a village.

Some important village powers are the ability to create a plan commission, to engage in zoning, and to regulate the subdivision of land. If the county has general zoning, the town must get county board approval before any zoning ordinance takes effect.

Towns can also use their village powers to require permits for waste haulers, to regulate nudity and signage, and to increase the board size from three to five.

One important power of the town meeting is to set the property tax levy.

Towns with "village powers" can regulate land use and engage in zoning.

Town Spending Compared
2005 Per Capita Spending by Municipality Type

	Total Gen'l Exp.	Non capital/ Debt	Capital	Debt Service
Towns	\$424	\$334	\$56	\$34
Villages	1,152	628	269	255
Cities	1,312	859	228	226

TOWN SPENDING

Wisconsin towns spent \$718.9 million from their general funds in 2005. Of that total, \$94.4 million was capital expenditures and \$58.1 million was for debt service.

On a per capita basis, town spending totalled \$424 (see table above). To give town spending some perspective, comparisons with cities and villages are provided. In 2005, towns spent 63% less per capita than villages (\$1,152) and 68% less than cities (\$1,312).

While noncapital/debt spending in Wisconsin towns averaged \$334 per person, 40 towns spent more than \$1,000 per resident. La Pointe in Ashland County spent the most (see table below), \$5,158 per capita. Its spending was nearly \$2,000 per person higher than the next highest-spending town—Anderson in Iron County.

As the table shows, higher-spending towns tended to be small in population and in the northern part of the state. Of the 50 highest-spending towns, 40 had populations under 500 and 40 were in the north. Smaller towns are not able to achieve scale economies and thus tend to have higher per capita spending.

Six towns spent less than \$100 per resident. The Town of Oneida (Outagamie County) spent the least, \$73. When capital expenditures and debt service are added, only the Town of Birch (Lincoln County) was under \$100 per capita.

One of the reasons towns spend less than cities or villages is that they generally provide fewer services. For example, most towns do not have police departments and contract with nearby communities for fire services. Cities and villages provide water and waste treatment to residents, while town residents generally have wells and septic systems.

By Category

The largest expenditure for towns is for public works, particularly road maintenance. In contrast, cities and villages spend the largest portion of their revenues on public safety—police and fire protection.

Public Works. As the table on page six shows, towns spent an average of \$185 per person on public works, mostly on road construction and maintenance. However, this category also includes spending on sidewalks, sewers, mass transit, and garbage collection. These latter expenditures are more often found in cities and villages than in towns.

Of the \$185 of per capita public works spending in 2005, \$157 was for road construction and maintenance. In comparison, villages (\$88) and cities (\$98) spent much less. Towns (\$34) spent more per capita on building local roads than cities (\$7) or villages (\$4). They also spent more on local road maintenance (\$121 versus \$73 and \$79, respectively, for cities and villages).

Using per capita expenditures to compare local road maintenance spending may not be ideal, as towns, cities, and villages have differing amounts of road miles and different levels of utilization. In 2005, towns had significantly more road miles (61,921) to maintain than did cities and villages (18,836 combined), although there was more traffic on city and village streets. There were 6.7 million vehicle miles traveled daily on town roads, compared to 31.2 million on city and village streets.

On average, towns spent \$424 per person in 2005, less than half of what was spent by villages or cities.

Highest- and Lowest-Spending Towns
Per Capita Spending, Sorted by Noncapital Spending, 2005

Town	County	Pop.	Non capital	Capital & Debt	Total
<i>Highest-Spending Towns</i>					
La Pointe	Ashland	271	\$5,158	\$1,476	\$6,634
Anderson	Iron	58	3,172	0	3,172
Hubbard	Rusk	168	2,127	253	2,380
Washington	Door	694	2,031	1,032	3,064
Finley	Juneau	88	1,913	0	1,913
Kingston	Juneau	52	1,825	0	1,825
Draper	Sawyer	182	1,811	291	2,102
Spider Lake	Sawyer	413	1,539	547	2,086
Orienta	Bayfield	98	1,519	202	1,721
Clover	Bayfield	230	1,510	1,500	3,010
<i>Lowest-Spending Towns</i>					
Lima	Sheboygan	2,926	\$115	\$3	\$118
Spencer	Marathon	1,498	113	36	149
Spring Prairie	Walworth	2,182	111	270	381
Durand	Pepin	718	104	0	104
Birch	Lincoln	748	99	0	99
Plymouth	Sheboygan	3,297	98	118	216
Chester	Dodge	945	97	17	114
Caledonia	Trempealeau	865	97	117	213
Greenbush	Sheboygan	2,607	91	63	154
Oneida	Outagamie	4,302	73	50	123

Town Spending Generally Lower
Per Capita Spending by Category, 2005

	Total Non capital	Public Works	Public Safety	Gen'l Govt.	Culture/ Rec./Educ.	Cons. & Devel.	H.H.S.
Towns	\$334	\$185	\$70	\$61	\$8	\$8	\$2
Villages	628	160	260	105	64	33	5
Cities	859	176	399	110	98	49	26

Towns spent \$3,316 per mile, or \$84 per vehicle mile, to maintain their local roads. Cities and villages spent \$15,294 per mile, or \$25 per vehicle mile, on maintenance.

Public Safety. Spending on police and fire protection (\$70 per capita) was the second-largest town expenditure, but it was less than half of what towns spent on public works. Villages spent nearly four times as much as towns, while cities spent almost six times more.

Most towns do not have police departments. While cities with 4,000 or more people and villages of 5,000 or more must provide police protection, towns do not. If a town does not have its own police department, protection is provided by the county sheriff. Of Wisconsin's 1,260 towns in 2005, 963, or more than 75%, had no law enforcement expenditures.

Most towns also do not have their own fire departments. Some are part of a joint fire department with neighboring towns, villages, or cities. Some contract with nearby fire departments for services. In 2005, towns spent \$38 per capita on fire protection. Villages (\$79) and cities (\$123) spent more. However, some of these village and city expenditures are reimbursed through contract fees from towns.

General Government. Towns spent \$61 per person on general government in 2005. Most of this was for town administration, including the board. Town spending in this category was about 40% less than in villages and cities.

Other. Town governments spent less than \$20 per capita in other areas. Although some towns have public parks, most do not have cultural or recreation programs. Rather, town residents often take advantage of programs in neighboring villages or cities. Town residents sometimes pay a higher fee than village or city residents to use these services.

Spending Changes

Tracking town spending changes from 2000 to 2005 is difficult due to the incorporation of several towns during the period. The towns of

Bellevue, Hobart, Suamico, Kronenwetter, and Mount Pleasant became villages during these years. Although Caledonia incorporated in 2005, it was still counted as a town for financial reporting purposes in both years.

To make fair comparisons, these municipalities were dropped from the analysis. Only spending in municipalities whose status was unchanged during the period was examined.

Excluding Capital and Debt. Spending excluding capital and debt rose 22.0%, or an average of 4.1% per year over the five years. Village (25.6%) spending grew faster, but spending in cities (16.6%) did not.

One of the reasons that towns and villages outpaced cities was population growth. Town populations rose 8.3% during the five years. Villages (9.5%) grew more and cities (3.5%) less.

After adjusting for population, town spending was up 12.7% over the five years (see chart below), the same as for cities. Per capita spending in villages climbed 14.7%. Inflation during this period was 13.4%.

Capital and Debt Service. Capital outlay in towns was 14.1% higher in 2005 compared to 2000, 5.4% when adjusted for population. Much of the increase was in two areas: fire protection and local roads.

Debt service increased more. Total principal and interest payments climbed 31.8% over the five years. Debt service in villages (67.2%) and cities (48.0%) was up more.

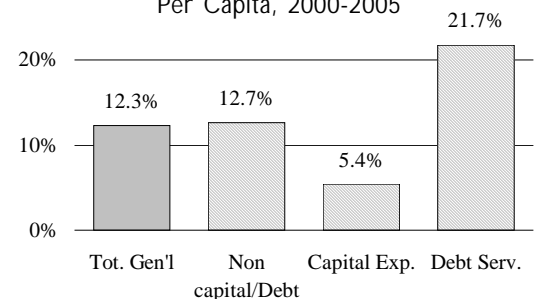
Total Spending. Total general expenditures, including capital spending and debt service, climbed 21.6% over the five years, 12.3% on a per capita basis. The per capita increase in towns was less than the increase in villages (16.8%) and cities (15.5%).

REVENUES

Because they spend less than cities or villages, towns collected less revenue from taxes,

In most towns, police protection is provided by the county sheriff.

Changes in Town Spending
Per Capita, 2000-2005



fees, state aids, and federal aids. In 2005, general fund revenues (excluding proceeds from bond issues and transfers from other funds) totalled \$681.5 million. At \$402 per capita, revenues were less than half of those in villages (\$906) or cities (\$1,096).

Taxes

Collections. Like other municipalities, taxes are towns' largest revenue source. At \$326.7 million, taxes in 2005 comprised 47.9% of town general revenues. That percentage was similar for cities (46.4%), but more for villages (55.6%).

Towns collected \$186 per resident in municipal-purpose property taxes. That was less than half the per capita amount collected in villages (\$391) and cities (\$419).

Rates. Total town property tax rates are generally lower than in nearby villages and cities. The difference is largely due to lower municipal rates in towns compared to villages and cities.

In 2006-07, the average net property tax rate in towns was \$14.21 per \$1,000 of property value, compared to \$17.61 in villages and \$19.71 in cities. Property taxes for schools, counties, technical colleges, and the state are levied based on equalized, or fair market, property values. Thus, town and city residents in the same school district pay approximately the same rate for these entities.

An important exception is the county library tax. If a municipality has a local library and levies taxes to support it at a rate equal to or higher than the county library tax rate, it is exempt from the county tax. Since towns generally do not have libraries, town residents pay a slightly higher county rate than residents of some neighboring cities or villages.

Other than the library tax, the main difference between tax rates in towns and those in other municipalities is the municipal tax. In 2006-07, the average municipal rate in towns was \$1.86, compared to \$4.69 in villages and \$6.54 in cities. The primary reason for the lower rate is the fewer services that towns provide.

State Aids

The second-largest source of revenue for towns is state aids. These include shared revenues, transportation aids, and fire protection aids.

State aids to towns totalled \$212.9 million in 2005. On a per capita basis, towns (\$126) collected less state aid than villages (\$173) or cities (\$294).

General transportation aids of \$115.4 million accounted for more than half of all state aid to towns. On a per capita basis, towns (\$68) received more general transportation aids than cities or villages (both less than \$50).

Shared revenues were the second-largest state aid for towns. In 2005, they totalled \$63.9 million, or \$38 per capita. Villages (\$98) and cities (\$205) received more per capita.

Shared revenues used to be paid based on spending, population, and property values. Since towns historically have had relatively low spending and higher per capita property values, their shared revenue payments tended to be low. Several years ago, this formula was eliminated, and municipalities are now paid based on prior year payments. This locks towns into relatively low aid payments.

NUMBER OF LOCAL GOVERNMENTS

Towns, cities, villages, and counties—the main providers of nonschool public services—have been with the state since inception. Recent questions have been raised about the number of local governments here.

Wisconsin had 1,922 towns, cities, villages, and counties in 2002. Despite being an average-sized state, that figure was sixth highest nationally. The Badger State's 35.3 units per 100,000 population was more than 2.5 times larger than the national average of 13.5. States with towns averaged 23.5 units per 100,000 people; those without towns averaged only 6.8.

Whether it is inefficient to have so many units of government is unclear. In 2002, states with towns spent \$2,401 per capita for these local services. Those without towns spent \$2,095. Wisconsin's spending, at \$2,197 per capita, was more like the latter.

While states with towns tend to spend slightly more, citizens often tolerate that because they prefer their government as local as possible. As Alexis de Tocqueville wrote in the mid-1800s, the town resident "is attached to his township not so much because he was born in it, but because it is a free and strong community, of which he is a member, and which deserves the care spent in managing it." □

DATA SOURCES:

University of Wisconsin Extension; U.S. Census Bureau; Wisconsin Departments of Administration, Revenue, and Transportation; Wisconsin Legislative Council; Wisconsin Legislative Reference Bureau.

Municipal property taxes in towns averaged \$186 per resident.

Local spending tends to be higher in states with towns.

AROUND THE STATE

■ **TIF Prevalence.** Wisconsin has one of the highest numbers of tax incremental financing (TIF) districts in the country, according to a study published in *State Tax Notes*. The Midwest had the highest average number of TIF districts per state (555), and Wisconsin was even higher (818). Of the 49 states with some form of TIF-enabling legislation, Minnesota had the most (2,184).

The idea behind TIFs is that, to promote economic development, a municipality issues bonds to fund a project, then pays off the bonds with the additional property tax revenue generated. For some elected officials, creating a TIF can be more palatable than raising taxes to pay for infrastructure.

State involvement in regulating TIF districts appears to affect their popularity. Difficult and lengthy legislation is cited as a possible deterrent for the five states that never established or do not currently have TIFs. For those where TIFs are more prevalent, lax reporting at the local level or no central oversight left many at the state level without adequate information on their actual number.

■ **Unclaimed Property.** In 2007, Wisconsin state government returned more than \$24.7 million of previously unclaimed property, including uncashed pay checks, contents of expired safety deposit boxes, stocks, and bonds. State law requires businesses to transfer certain abandoned intangible property to the state after one to five years of inactivity. The state holds the assets until claimed. Listings of unclaimed property can be viewed on the state treasurer's Web site (www.ost.state.wi.us).

All states have unclaimed property laws. According to the National Association of Unclaimed Property Administrators, states held nearly \$35 billion, or \$117 per capita, in unclaimed property in 2006. Wisconsin (\$58 per capita) ranked 31st among the 50 states in the amount of property

held. The Badger State returned just under \$20 million, or \$3.49 per capita, in 2006, compared to the national average of \$5.83.

■ **Multiple Job Holding.** In 2006, 7.7% of Wisconsin's workers held more than one job, down 2.2 percentage points from 1996. Wisconsin's decrease was one of the largest during the period, surpassed only by Indiana (-3.2 points) and Missouri (-2.3 points). The Badger State was one of 44 states whose multiple job holding rates have decreased since 1996, according to the Bureau of Labor Statistics.

In general, the highest rates of multiple job holding were found in New England, the Midwest, and the northern Mountain states. Wisconsin and all but one of its neighbors were above the 5.2% U.S. average in 2006.

WISTAX FOCUS

■ **Sales Tax Slowing?** State sales tax collections rose just 0.8% in 2007, well below growth in both personal income and other state taxes. In "The incredible shrinking sales tax" (*Focus #25-07*), sales tax collections are examined over a 20-year period. Two important factors in the lower-than-expected collections were a slowing economy and increasing Internet sales. Since the sales tax is state government's second-largest revenue source, a slowdown in collections will have a negative impact on the state budget.

■ **School Taxes Up.** Largely the result of unchanged state aids to school districts, school property tax levies rose 7.4% in 2007, the largest increase in nearly 15 years. In "School taxes up 7.4%, largest jump since '93" (*Focus #26-07*), WISTAX explains the relationship between state-imposed revenue caps, state aid changes, and school property tax levies. With the delayed state budget, school aids were unchanged this year and school districts used more property taxes to fund their revenue limits. □

The Wisconsin Taxpayers Alliance, founded in 1932, is the state's oldest and most respected private government-research organization. Through its publications, civic lectures, and school talks, WISTAX aims to improve Wisconsin government through citizen education. Nonprofit, nonpartisan, and independently funded, WISTAX is not affiliated with any group—national, state, or local—and receives no government support.



Wisconsin Taxpayers Alliance

401 North Lawn Avenue • Madison, WI 53704-5033
608.241.9789 • www.wistax.org

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