

Republicans say final details of shared revenue bill still being negotiated

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The two main architects of legislation to significantly boost shared revenue while allowing Milwaukee County and the city to add new sales taxes told WisPolitics talks on final details are ongoing.

That includes whether to require a referendum to approve the proposed sales tax increases — as opposed to allowing the Common Council and County Board to approve them — and a series of restrictions that Republicans want to put on the state's largest city and county.

State Sen. Mary Felkowski, who has been the Senate GOP's lead negotiator on the proposal, said the possible changes aren't anything drastic.

Felzkowski said she agrees with Assembly Speaker Robin Vos, R-Rochester, that Republicans generally believe that if a local government is going to raise taxes, voters should have input. But she raised doubts the referendums would pass.

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Under the bill, Milwaukee would be able to impose a new 2 percent sales tax through a referendum, while Milwaukee County could add 0.375 percent to its existing half-cent sales tax. That money would largely go to cover their pension obligations. New employees would be put into the state system and the local retirement plans would be eliminated after current obligations are met.

The combined impact of the proposal would push the sales tax on purchases in the city to 7.875 percent.

"So then what's the alternative?" Felkowski asked if the referendums failed.

The bill, circulated for co-sponsorship Tuesday, includes a series of proposed restrictions on the city and county. That includes, for example, requiring two-thirds votes of the Common Council or County Board to raise spending, barring the use of property taxes to expand or operate the city's street car, and requiring school resource officers at Milwaukee Public Schools.

Felzkowski said her caucus is split on some of the proposals.

Meanwhile, Rep. Tony Kurtz, who has led talks for Assembly Republicans, said members of his caucus are pushing for the requirements because they believe with as dire a financial position as the city as in, "wouldn't you want to focus every penny that you can possibly spare into those core services?"

He noted the bill wouldn't ban Milwaukee from finding other revenues — whether it's federal funds, private donations or other money — to operate the street car.

"We are willing to give them the tools to help themselves, i.e. the referendum, but in return, we want you to make these critical investments," Kurtz said.

Ahead of the bill's release, state Sen. LaTonya Johnson, D-Milwaukee, bemoaned the restrictions Republicans want to place on her hometown. She said Milwaukee faces an option of accepting what Republicans are proposing or watching the city go bankrupt.

"Anything that's proposed for the city of Milwaukee will be like holding a loaded gun to our head," Johnson said. "We are not going to have many choices in terms of compromise."

Asked for comment, a spokesperson for Gov. Tony Evers pointed to an [interview](#) he did Monday with Milwaukee's WTMJ-TV.

In it, the gov said he met with Vos and Senate Majority Leader Devin LeMahieu, R-Oostburg, last week on shared revenue, but "I haven't signed off on anything."

Evers' initial plan called for a referendum to approve a combined 1 cent sales tax with the city and county splitting the proceeds. He also had proposed much higher increases in county and municipal aid than what Republicans have proposed.

Evers said he doesn't have an issue with the size of the sales tax increases Republicans are proposing, but is open to having the Common Council and County Board approve them rather than putting it to a referendum.

He also raised concerns about some of the restrictions that would be placed on the county and city.

"The numbers sound all right. But what they're giving up, it might be more than what the county executive and the mayor can take," Evers said.

Felzkowski and Kurtz said GOP staffers are working on how lawmakers could prevent Evers from using his partial veto authority to rework language in the proposal.

The intention is to pass the bill ahead of the state budget.

"Now, would we love assurances, yes," Kurtz said of continued talks with Evers. "But we also have to protect our caucus."

See details of the bill in Tuesday's [PM Update](#).