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RESOLUTION #2018-37

Directing The Finance, Insurance & Personnel Committee To Include A Municipal Motor Vehicle Registration Fee (Wheel Tax) Into The Committee's 2019 Budget Recommendation To Fund Municipal Road Improvements

WHEREAS, roadway repair and maintenance is a City of Waterloo municipal priority, and;

WHEREAS, the City of Waterloo has 17.9 miles of existing public roadway for which it is responsible, and;

WHEREAS, for at least the last ten years the percent increase in the cost of concrete, asphalt and public roadway repairs generally, has grown at a rate substantially greater than the "net new construction" *** percentage used in determining the maximum tax a Wisconsin municipality may levy on property, and;

WHEREAS, as allowed by the State of Wisconsin, the City of Waterloo is limited to raising tax revenue only via taxation on property, and via a motor vehicle registration fee, commonly referred to as a wheel tax, and;

WHEREAS, for quite some time interior public roadways have been deteriorating at a rate adversely affecting the city's ability to accommodate the needs of its residents and to attract future residents and businesses thus fostering sustainable property value growth.

NOW THEREFORE BE IT RESOLVED that the City of Waterloo Common Council hereby directs the Finance, Insurance & Personnel Committee to include a municipal motor vehicle registration fee, or wheel tax, into the Committee's 2019 budget recommendation -- for the exclusive purpose of funding the repair and maintenance of the existing 17.9 miles of public roadway within the City of Waterloo.

PASSED AND ADOPTED this ____ day of ____ 2018.

City of Waterloo

Signed: _____
Robert H. Thompson, Mayor

Attest:

Morton J. Hansen
Clerk/Treasurer

SPONSOR(S) – Mayor

FISCAL EFFECT – The rate is not determined by this resolution, but would be calculated in a finalized manner as part of the current public budget process. As initially submitted, fee revenue would be \$90,000 annually, equating to a \$30.50 per vehicle municipal motor vehicle registration fee.

The [2019 Road & Utility Improvement Schedule](#) calls for reconstruction of Edison Street and Franklin Street. Project estimates are: \$687,665 for roadway and storm sewer; \$219,092.50 for Sanitary Sewer; and \$230,560 for Water. Total 2019 project costs are: \$1,137,317.50.

*** NET NEW CONSTRUCTION – An annual Wisconsin Department of Revenue calculated figure based on the value of new construction in a municipality. The annual percentage change forms the basis of the property tax levy limit formula which, in turn, prescribes by state law, the maximum a municipality may raise in property taxes, without a voter referendum. Waterloo's percentage consistently ranks near the bottom in Jefferson County. Communities with private sector construction have a greater ability to raise revenue via the property tax than slow growing communities. (Note: The property tax levy limit formula allowed municipalities to raise property taxes to pay for additional debt service).

WHEEL TAX DETAILS – The City of Waterloo has 2,953 eligible vehicles.

The fee applies to vehicles kept in the municipality with: Automobile registration or truck registration at 8,000 lbs. or less (except dual purpose farm). This includes most special license plates with automobile or truck registration.* The municipality must use all revenue from the wheel tax for transportation related purposes.

*These special plates are exempt from wheel tax: Antique, Collector (“Collector Special” plates are not exempt), Ex-Prisoner of War (if issued without registration fee), Historic Military, Hobbyist and Medal of Honor. All special plates issued to a farm truck, dual purpose farm truck or motor home are also exempt from wheel tax.

Wheel tax collection

The Wisconsin Department of Transportation (WisDOT) collects wheel tax fees for the municipality, keeps an administrative fee of 17 cents per vehicle application and sends the rest to the municipality. WisDOT collects the wheel tax at the time of first registration and at each registration renewal. Your certificate of registration will indicate that a fee was paid.

Current wheel tax jurisdictions.

Municipalities

- Appleton (city; \$20)
- Arena (township; \$20)
- Beloit (city; \$20)
- Eden (village; \$20)
- Evansville (city; \$20)
- Fort Atkinson (city; \$20)
- Gillett (city; \$20)
- Iron Ridge (village; \$10)
- Janesville (city; \$20)
- Kaukauna (city; \$10)
- Lodi (city; \$20)
- Milton (city; \$30)
- Milwaukee (city; \$20)
- New London (city; \$20)
- Platteville (city; \$20)
- Portage (city; \$20)
- Prairie du Sac (village; \$20)
- Sheboygan (city; \$20)
- Tigerton (village; \$10)

Counties

- Chippewa County (\$10)
- Dane County (\$28 beginning for October 2018 registrations)
- Green County (\$20 beginning for August 2018 registrations)
- Iowa County (\$20)
- Lincoln County (\$20)
- Marathon County (\$25)
- Milwaukee County (\$30)
- St. Croix County (\$10)