



State of Wisconsin • DEPARTMENT OF REVENUE

DIVISION OF STATE AND LOCAL FINANCE • BUREAU OF PROPERTY TAX • LOCAL GOVERNMENT SERVICES SECTION • 2135 Rimrock Road • MADISON, WI

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October 14, 2009

Dear Clerk:

2009 Wisconsin Act 28 provides that future payments of county and municipal aids are being partially funded by a Police and Fire Protection Fee. The intent is that the funds generated by the fee be used to maintain the level of emergency services provided by each municipality and county. Therefore, sec. 79.07, Wis. Stats., was created to ensure that municipalities and counties do not compromise the level of emergency services they provide by reducing expenditures for emergency services. The statute is provided below:

79.07 Expenditures for emergency services. (1) Except as provided in sub. (3), beginning in 2010, the amount that each county and municipality spends each year for emergency services, as defined by the department of revenue to include only emergency services funded from payments received under ss. 79.035 and 79.043, shall be no less than the amount that the county or municipality spent in 2009 for emergency services, not including one-time expenses and capital expenditures. Each county and municipality shall report the amount it spent for emergency services in 2009, and the amount of its one-time expenses and capital expenditures, to the department of revenue at the time and in the manner prescribed by the department.

(2) The department of revenue may adjust any amount reported under sub. (1) to more accurately reflect the amount that the county or municipality submitting the report spent for emergency services and to ensure that excluding one-time expenses and capital expenditures as provided in sub. (1) does not compromise the level of service for providing emergency services.

(3) A county or municipality may decrease the amount it spends for emergency services below its 2009 amount, with the department of revenue's approval, if the decrease in expenditures is a result of operating more efficiently, as determined by the department. For purposes of this section, any decrease approved under this subsection shall permanently decrease the base amount of expenses for emergency services provided in the county or municipality requesting the decrease by the amount of the decrease.

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(4) If a county or municipality fails to comply with this section, the department of revenue may reduce the county's or municipality's payment under ss. 79.035 and 79.043, in an amount determined by the department.

Many of you have seen a [worksheet](#) similar to the one enclosed which was distributed in early September for comment. We appreciate all the comments we received and we have revised our instructions and addressed issues raised in the Frequently Asked Questions handout located at <http://www.revenue.wi.gov/faqs/slf/act28faq.html>.

The worksheet provides a means to determine the 2009 expenditure amount to be used as a base level for subsequent years. The Frequently Asked Questions handout should be helpful in completing the form.

We encourage you to provide a detailed explanation to support any efficiencies that result in lower expenditures or to explain other changes in expenditures that should be considered in determining the 2009 base amount. The goal is to maintain service levels. For example, if you experience a reduction in your expenditures in 2009 compared to your 2008 expenditures due to the way expenditures are being allocated under a contract or joint operating agreement with other municipalities, without a compromise in actual service levels, please note that fact in a letter and attach to your completed form.

Return completed [worksheet](#) and supporting documents to the Department of Revenue (DOR) by May 15, 2010.

If you have questions, please contact: lgs@revenue.wi.gov; (608) 266-2569 or (608) 261-5360.

We anticipate that DOR will collect emergency service expenditures as part of the Municipal Financial Report Form in future years.

Sincerely,

Carol Roessler, Administrator
Division of State and Local Finance