

# Why Now?

How did Racine County reach the point of needing a county sales tax?

**COSTS**

Historic inflation

01

**REVENUE**

Reduced shared revenue; Levy limits

02



**KEY BUDGET DRIVERS**

03

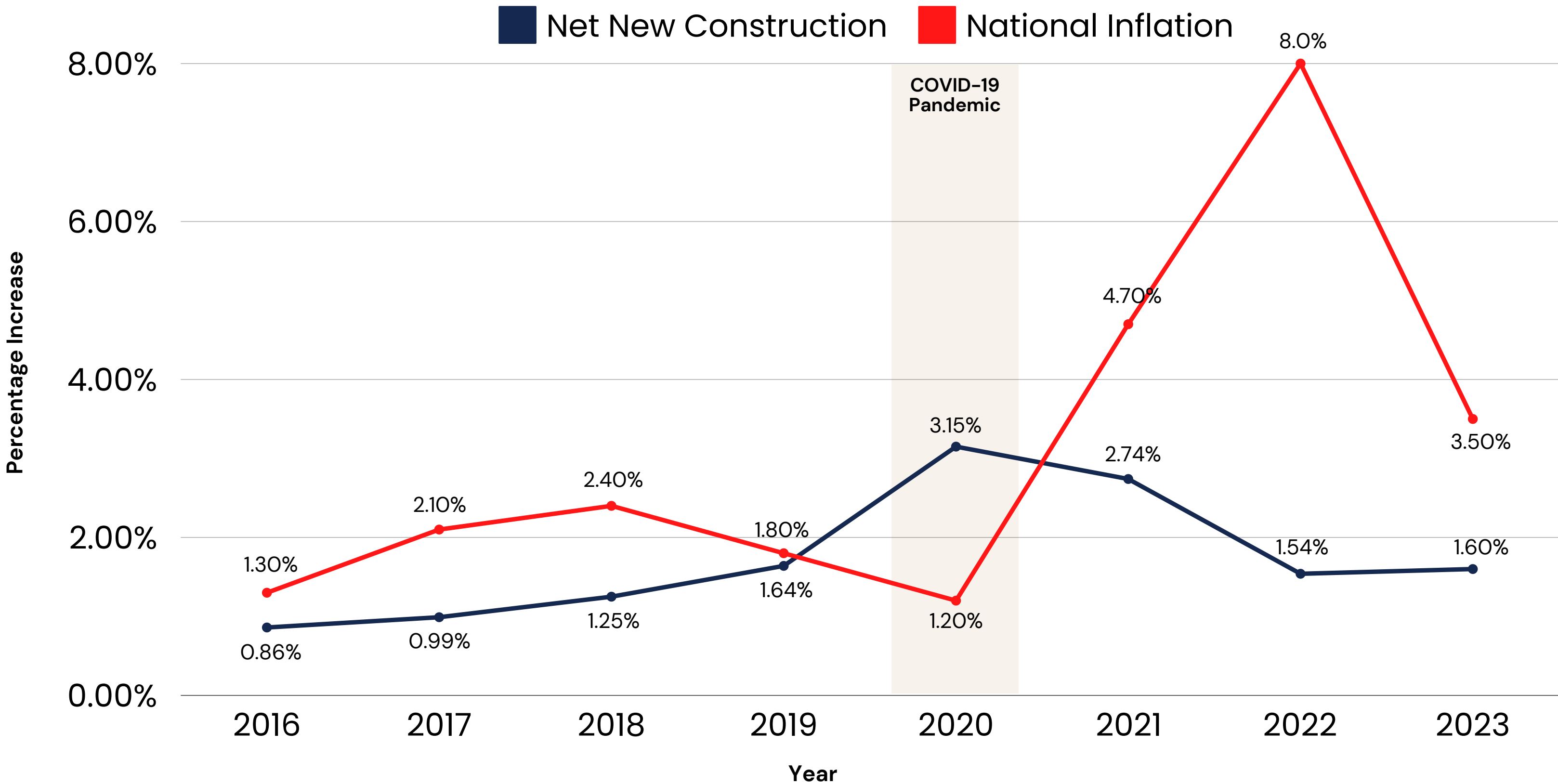
**GROWING COMMUNITY NEEDS**

Public safety; Community health and well-being; Courts/judiciary

01

# INFLATION VS. NET NEW CONSTRUCTION

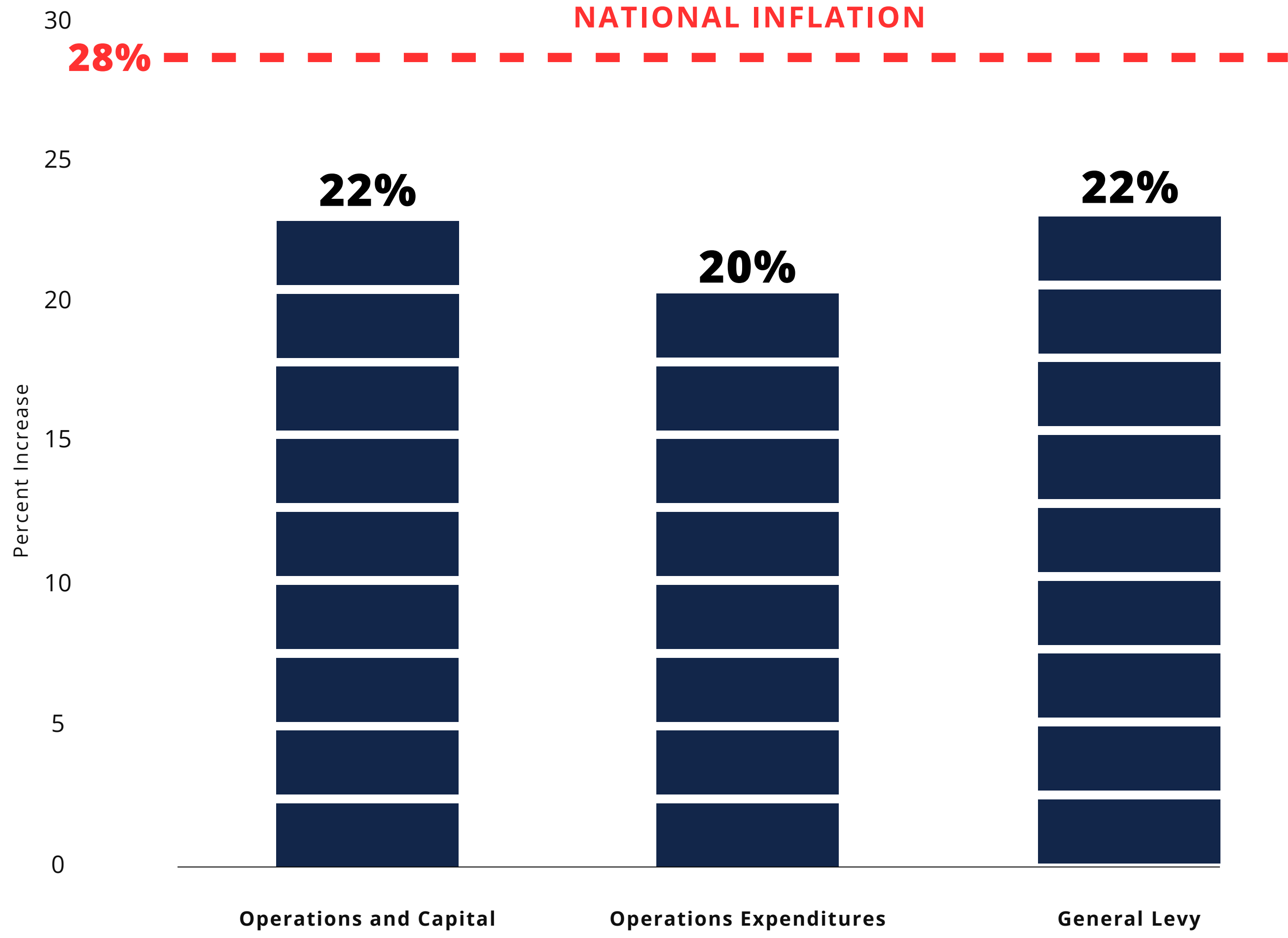
Inflation consistently outpaces net new construction with exception of 2020 (COVID-19 pandemic)



01

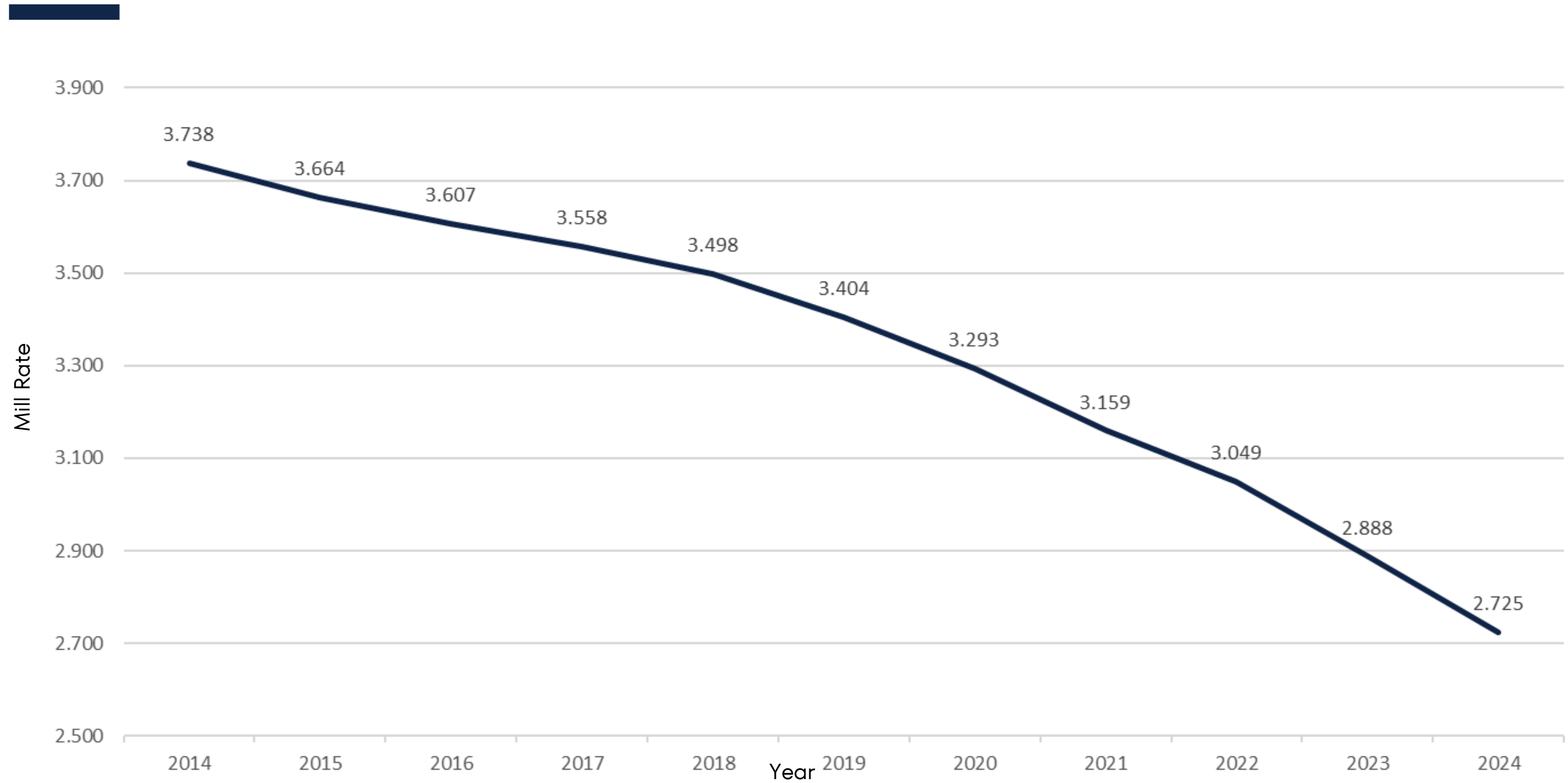
# COUNTY BUDGET VS. INFLATION

Percentage Increase, 2015 to 2023



# 02 MILL RATE

11th Straight Year of Reduced Mill Rate





03


# STATE-MANDATED/ESSENTIAL RACINE COUNTY GOVERNMENT SERVICES




**Keeping Our  
Communities  
Safe**



**Supporting  
Health and  
Well-Being**



**Upholding  
Justice**




**Maintaining  
Roads and  
Infrastructure**



**Planning  
Our County's  
Future**



**Responding to  
Emergencies**



**Administering  
Voting**



**Safekeeping  
Vital Records**

# GROWING COMMUNITY NEEDS

## Public Safety

### Violent Crime

- Combatting violent crime will always be our priority



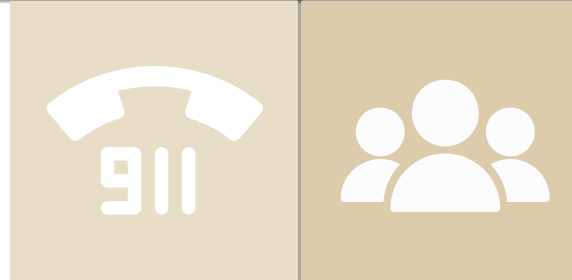
### Opioid and Fentanyl Crisis

- Nearly 3x increase in fentanyl deaths (2017-2023)
- Fentanyl found in 94% of opioid-related deaths (2023)



### 911 Dispatch/Radio System

- The emergency radio system is beyond end-of-life
- Future system will ensure the reliability for all public safety personnel



### Workforce Challenges

- Corrections officers, 911 dispatchers, and deputies have highest staff turnover
- Deputies represent the largest group at retirement age among county staff

# GROWING COMMUNITY NEEDS



## Community Health and Well-Being

### Behavioral Health

- 10,000 residents have severe mental health issues
- Suspected suicide attempts are up 13% from 2022 to 2023



### Opioid and Fentanyl Crisis

- Suspected drug overdose cases are up 10% from 2022 to 2023
- No residential programs for substance abuse exist within a 40-mile radius of Racine County

### Veteran Services

- Severely underfunded veteran services
- Must fulfill promise to serve our veterans



### Workforce Challenges

- Licensed clinical social workers and essential services with 24/7 operations are very challenging roles to fill with high level of regional competition



# GROWING COMMUNITY NEEDS

## Courts/Judiciary

### DA Charges

- The average number of case charges referred to each worker at the District Attorney's Office increased from 256 to 456 (2016-2023)

### Court Security Spending

- County spending on court security is almost \$2M annually due to a lack of state funding



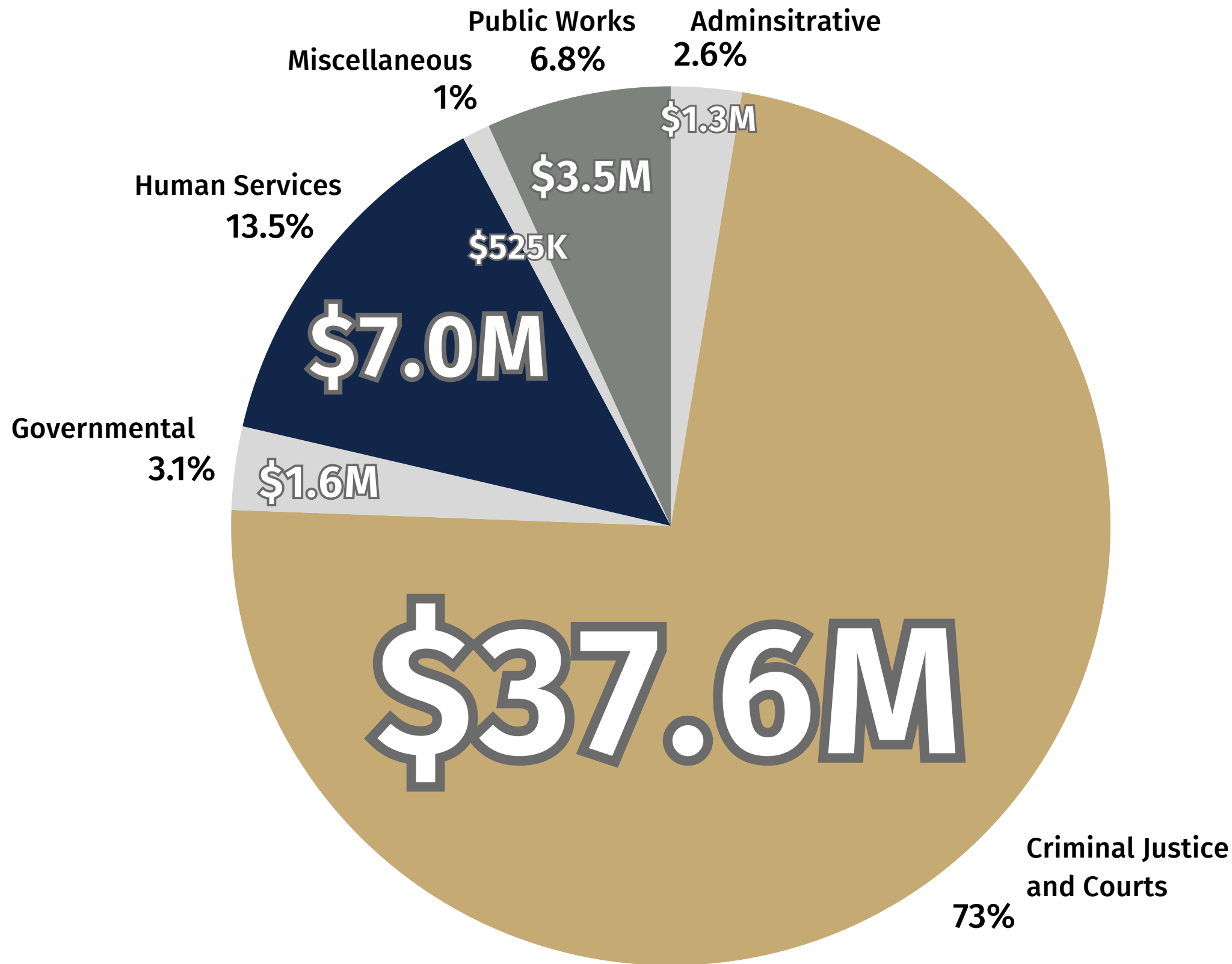
### Average Length of Stay, Jail

- The average length of stay for men on felony pretrial in Racine County Jail increased from 67 to 117 days (2016-2023)

### Workforce Challenges

- Court appointed private attorneys in lieu of public defenders are very costly

## DEPARTMENT CATEGORY PORTION OF GENERAL LEVY (2023)

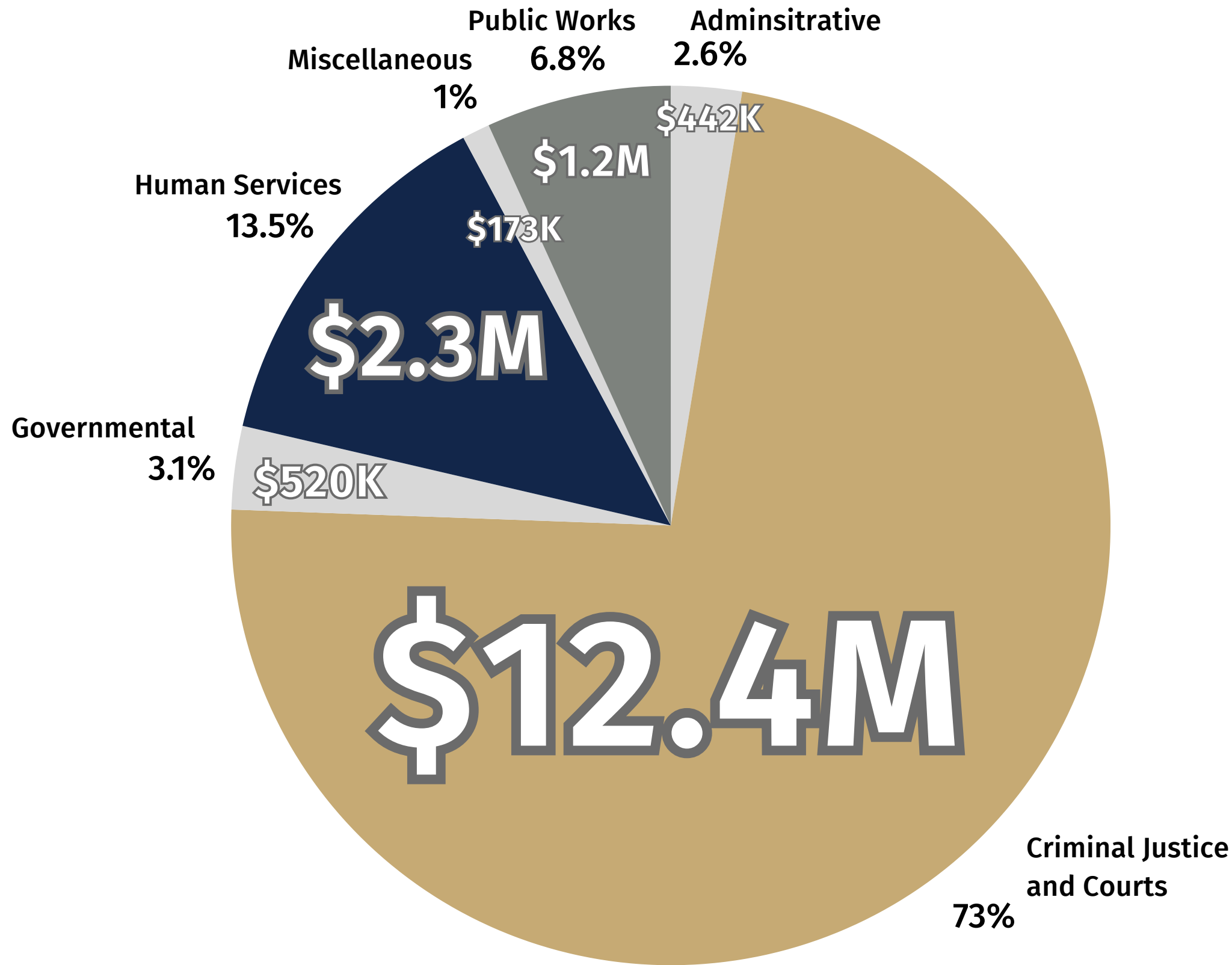


# GENERAL LEVY BY DEPARTMENT

# \$51.6M

Criminal Justice and Courts account for the largest portion of the tax levy, using approximately \$37.6 million, which represents 73% of the entire county general levy.

# CUTS BY DEPARTMENT TO MAKE UP \$17M DEFICIT



## CUTS NEEDED BY DEPARTMENT

# \$17M

The following breaks down cuts each department would need to make to cover the current \$17 million gap in the county budget.



# Falling Behind

How does not having a county sales tax affect our standing regionally and statewide?



By the Numbers

# RACINE VS. SIMILAR COUNTIES

Despite having the largest population, Racine County has the:

- Lowest mill rate
- Least tax levy
- Lowest staffing levels
- AND no county sales tax

County	Population	2024 Mill Rate	2024 Levy	2024 Net New Construction	FTE	2023 Sales Tax
Kenosha	169,151	3.35	\$75,882,414	2.73%	1,086	\$20,411,590
Outagamie	190,705	2.91	\$65,317,152	1.80%	1,214	\$25,774,443
Racine	197,727	2.72	\$60,816,784	1.58%	1,057	-
Rock	163,687	4.09	\$75,500,871	1.48%	1,370	\$19,417,941
Winnebago	171,730	3.84	\$72,628,133	1.04%	1,113	-

*ONLY*

**3** of **72**

Wisconsin Counties do not  
have a County sales tax

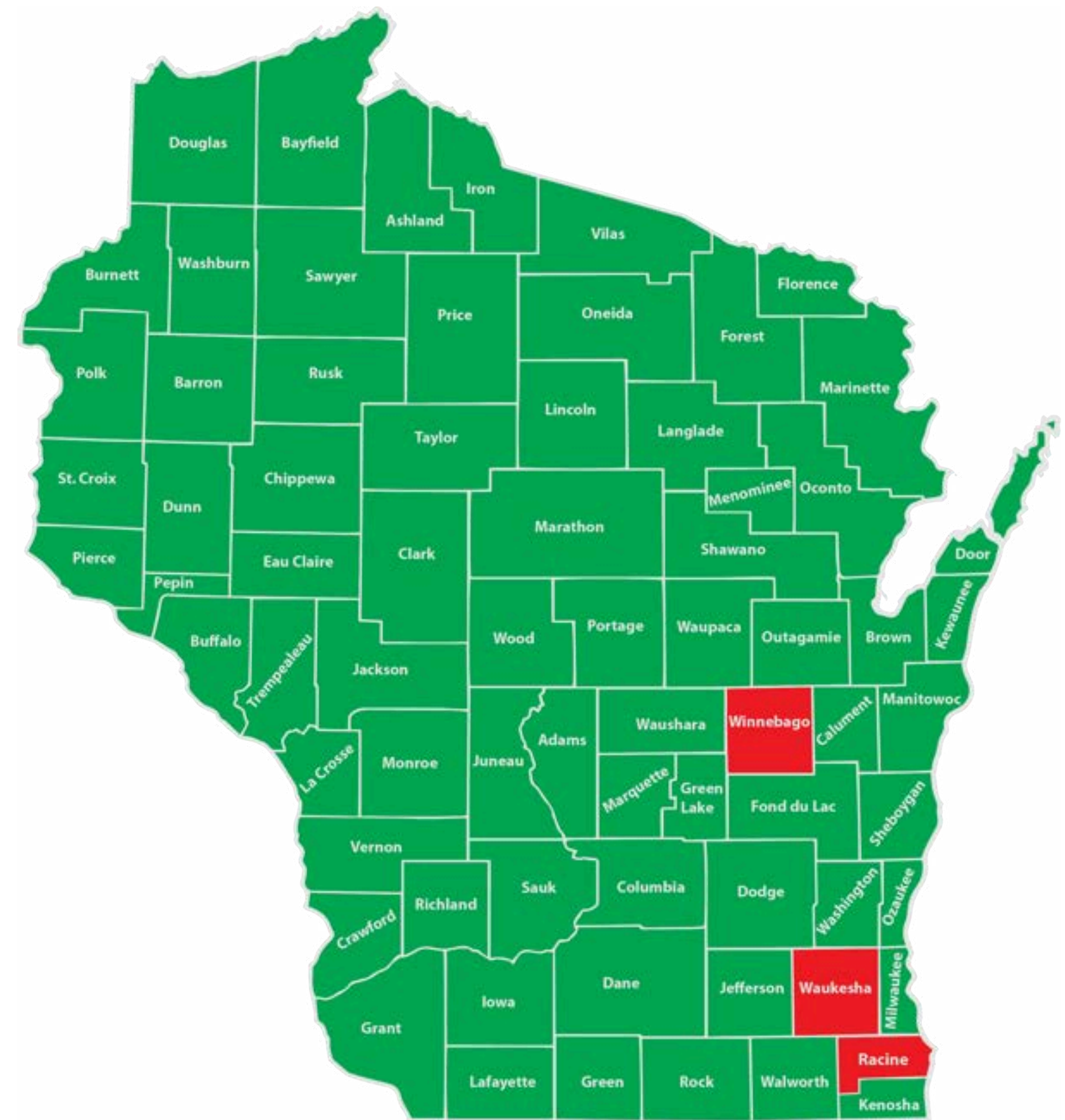
**RACINE, WAUKESHA  
AND WINNEBAGO COUNTIES**



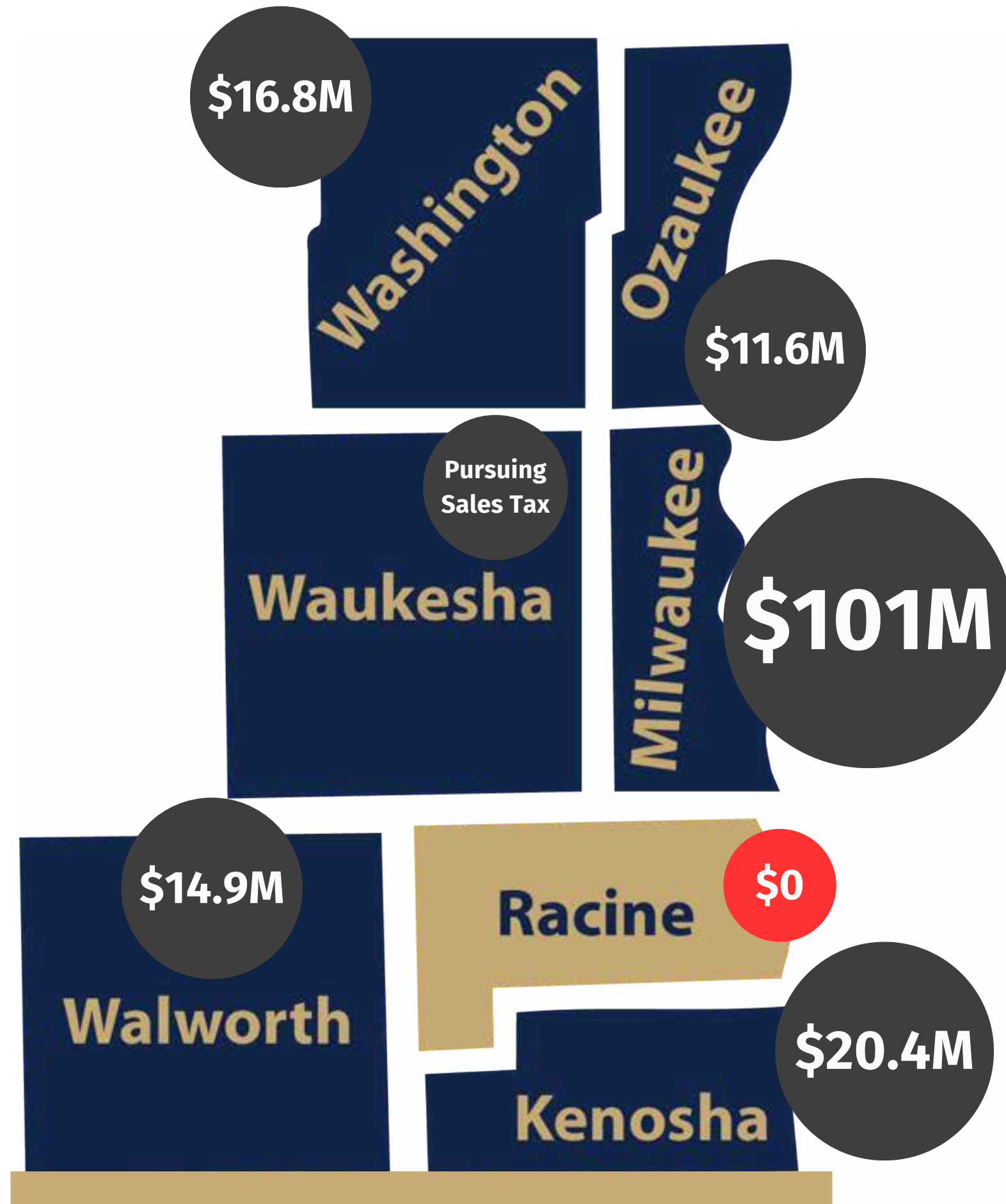
# Who Has a County Sales Tax?

69 out of 72 Wisconsin Counties, or about 96%, have a county sales tax.

**96%** WI COUNTIES HAVE SALES TAX



**County Sales Tax** **No County Sales Tax**



# MISSED OPPORTUNITY

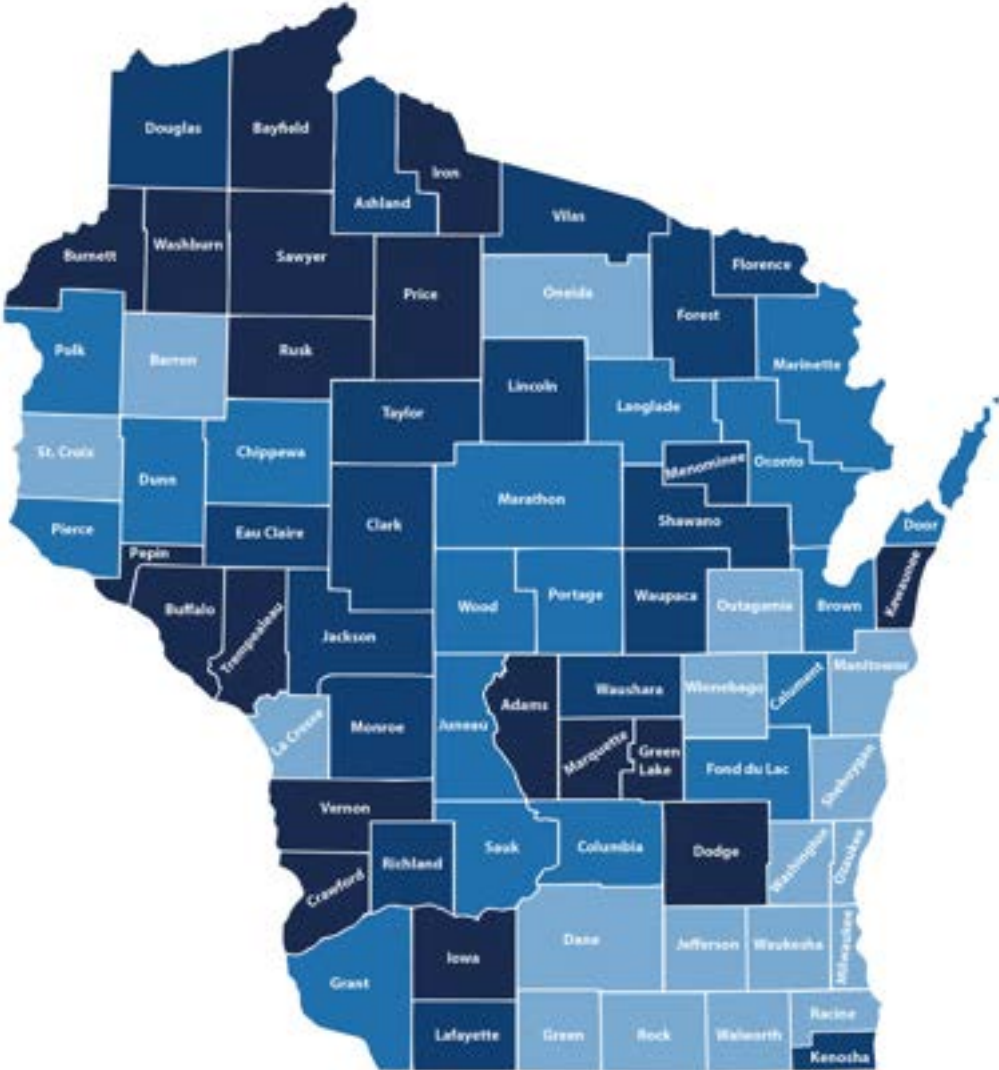
Neighboring counties generate millions in county sales tax each year and will generate even more with recent Milwaukee legislation.

Without similar revenue, we face increased borrowing, higher property taxes, and diminished regional competitiveness.

Source: County Sales Tax Revenue 2023,  
Wisconsin Department of Revenue

# Racine County ranks dead last in highway as well as health and human services spending per capita in the State of Wisconsin

## HIGHWAY SPENDING



County	Rank	Spending Per Capita
Milwaukee	72nd	\$32
<b>Racine</b>	<b>71st</b>	<b>\$34</b>
Rock	70th	\$42

## HEALTH AND HUMAN SERVICES SPENDING



County	Rank	Spending Per Capita
<b>Racine</b>	<b>72nd</b>	<b>\$132</b>
Iowa	71st	\$189
Ozaukee	70th	\$207

Source: The Green Book 2023 (Forward Analytics, Wisconsin Counties Association)



# Overview

What is a county sales tax?



Any county desiring to impose county sales and use taxes under this subchapter may do so by the adoption of an ordinance, stating its purpose and referring to this subchapter. The rate of the tax imposed under this section is 0.5 percent of the sales price or purchase price.



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## **WISCONSIN STATE STATUTE 77.70**

COUNTY AND SPECIAL DISTRICT SALES AND USE TAXES

# WHAT IS A SALES TAX?

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Sales tax is imposed on retailers who make taxable retail sales, licenses, leases, or rentals on tangible personal property, coins and stamps, leased tangible personal property affixed to real property, and certain digital goods.

Source: Wisconsin Department of Revenue



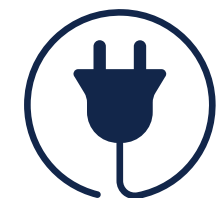
Clothing



Computers



Office equipment



Electricity



Motor, boat, and recreation vehicles



Calls and messaging



Entertainment



Boat docking



Cable television



Landscaping



Laundry



Rooms and lodging



# WHAT IS EXEMPT FROM SALES TAX?

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The following are some of the tax-exempt items in the State of Wisconsin. Additional items may qualify as tax exempt if an exemption certification is given to the seller.

Source: Wisconsin Department of Revenue

**Prescription  
Drugs**

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**Medical  
Equipment**

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**Food and Food  
Ingredients**

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**Motor Vehicle and  
Alternate Fuel**

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**Fuel and  
Electricity\***

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**Insurance**

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**Manufactured  
Homes**

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**Water Utilities**

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\*For residential use during the Months of November through April



# Revenue

How much revenue could a county sales tax generate for Racine County?

# Racine County Ranks

# 6th



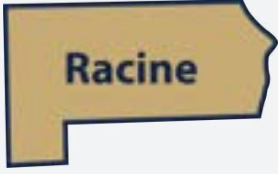



## Annual Budget Expenditure and Population Size

Annual Budget Expenditure uses data from the Bureau of Labor Statistics (BLS) to estimate annual consumer spending by county. Population size reflects total number of residents by County.



Source: ESRI (2023)

# Potential Sales Tax Revenue for Racine County

Wisconsin County		Annual Sales Tax Revenue 2023	Taxable Sales 2023
	<b>Brown</b>	<b>\$38.0M</b>	<b>\$7.6B</b>
	<b>Outagamie</b>	<b>\$25.8M</b>	<b>\$5.2B</b>
	<b>Racine</b>	<b>\$22.0M</b>	<b>\$4.9B</b>
	<b>Kenosha</b>	<b>\$20.4M</b>	<b>\$4.1B</b>
	<b>Rock</b>	<b>\$19.4M</b>	<b>\$3.9B</b>
	<b>Washington</b>	<b>\$16.8M</b>	<b>\$3.4B</b>

Racine County annual sales tax revenue and taxable sales are estimates. Taxable sales are based on annual sales tax revenue

Source: PMA Financial Network Report 2023



# Impact

How will a county sales tax impact residents?





**Additional cost for a  
\$2 fast food sandwich**



**Additional cost for a  
\$2,000 computer**

# WHAT WILL YOU PAY?

The following illustrates the  
additional cost on everyday  
purchases with a new County  
sales tax (0.5%)



**Additional cost for a  
\$20 restaurant dinner**



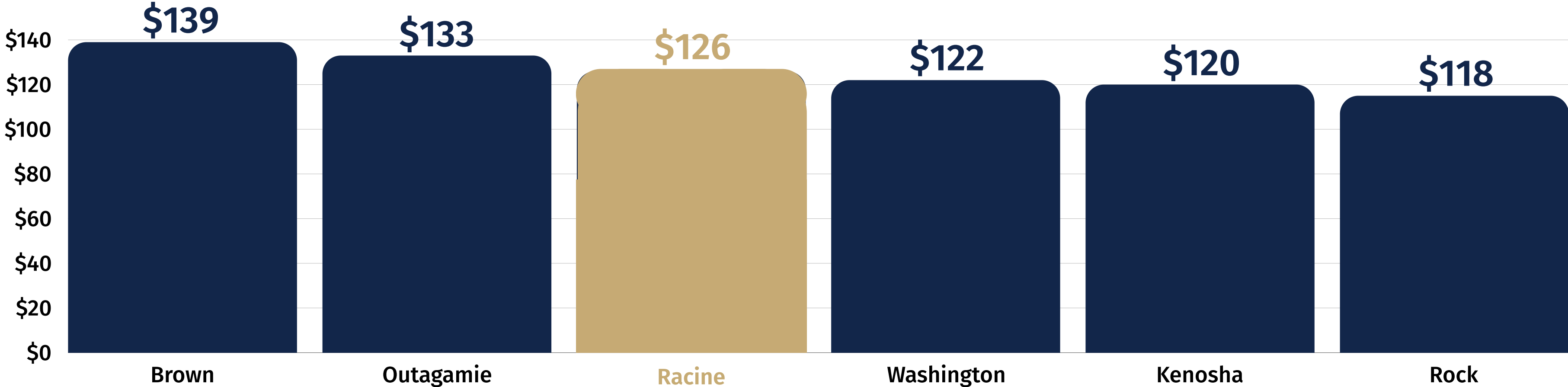
**Additional cost for a  
\$20,000 car**



# ANNUAL COST PER CAPITA

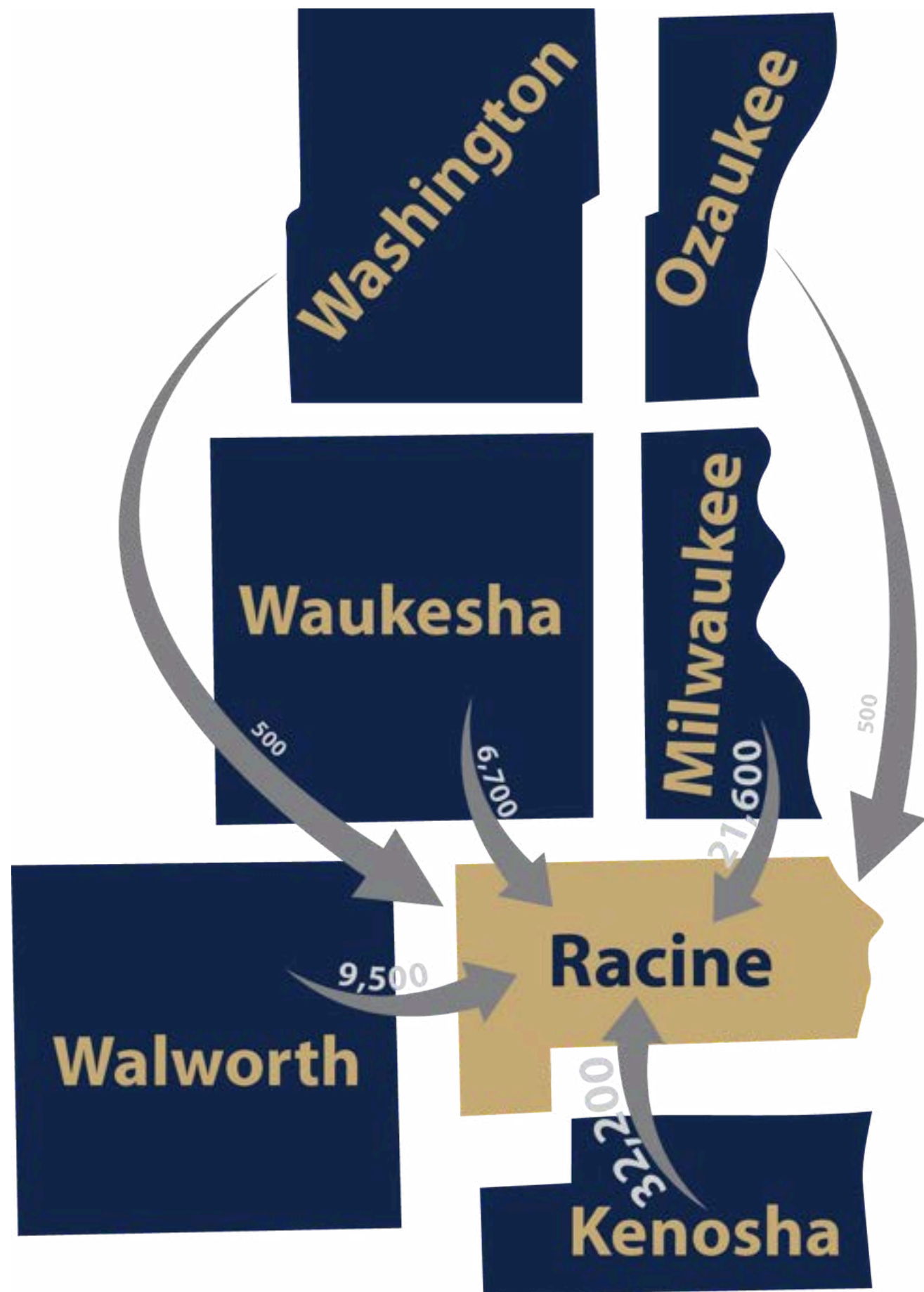
## The Bottom Line for Racine County Residents

Below is the annual per-capita cost of a County sales tax in similar communities



**Does not account for out-of-county spending**

Source: Wisconsin Department of Revenue (2023)



## Average Weekday Trips

# 70,000

## From Out-of-County to Racine County

Out-of-county households make an estimated 70,000 average weekday trips into Racine County. Out-of-county residents, excluding Waukesha County, already pay a County sales tax in their home county.

# 20-25%

## **Estimated Percent of Sales Tax Revenue Generated by Visitors Outside of Racine County**

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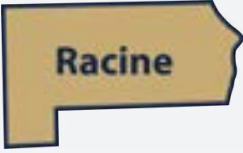





Visitors from outside Racine County contribute approximately 20-25% of the total sales tax revenue each year. Additionally, direct visitor spending in Racine County increased by 17.7% in 2022, reaching \$272 million.

Source: Visit Racine County Wisconsin (July 2023); Wisconsin Department of Tourism



# Racine County residents on average pay less than similar counties even with a county sales tax

\$0.35 per day!

County	Average County Property Tax 2023	Average County Sales Tax 2023	Total 2023
 <b>Racine</b>	<b>\$762</b>	<b>\$126</b>	<b>\$888</b>
 <b>Outagamie</b>	<b>\$854</b>	<b>\$133</b>	<b>\$987</b>
 <b>Brown</b>	<b>\$876</b>	<b>\$139</b>	<b>\$1,015</b>
 <b>Milwaukee</b>	<b>\$952</b>	<b>\$108</b>	<b>\$1,060</b>
 <b>Kenosha</b>	<b>\$955</b>	<b>\$120</b>	<b>\$1,075</b>
 <b>Rock</b>	<b>\$1,145</b>	<b>\$118</b>	<b>\$1,263</b>

Source: Racine County Finance Department and Treasurer's Office; Wisconsin Department of Revenue  
 Note: Assumes 2023 average assessed Racine County property value, including personal property, of \$264,505

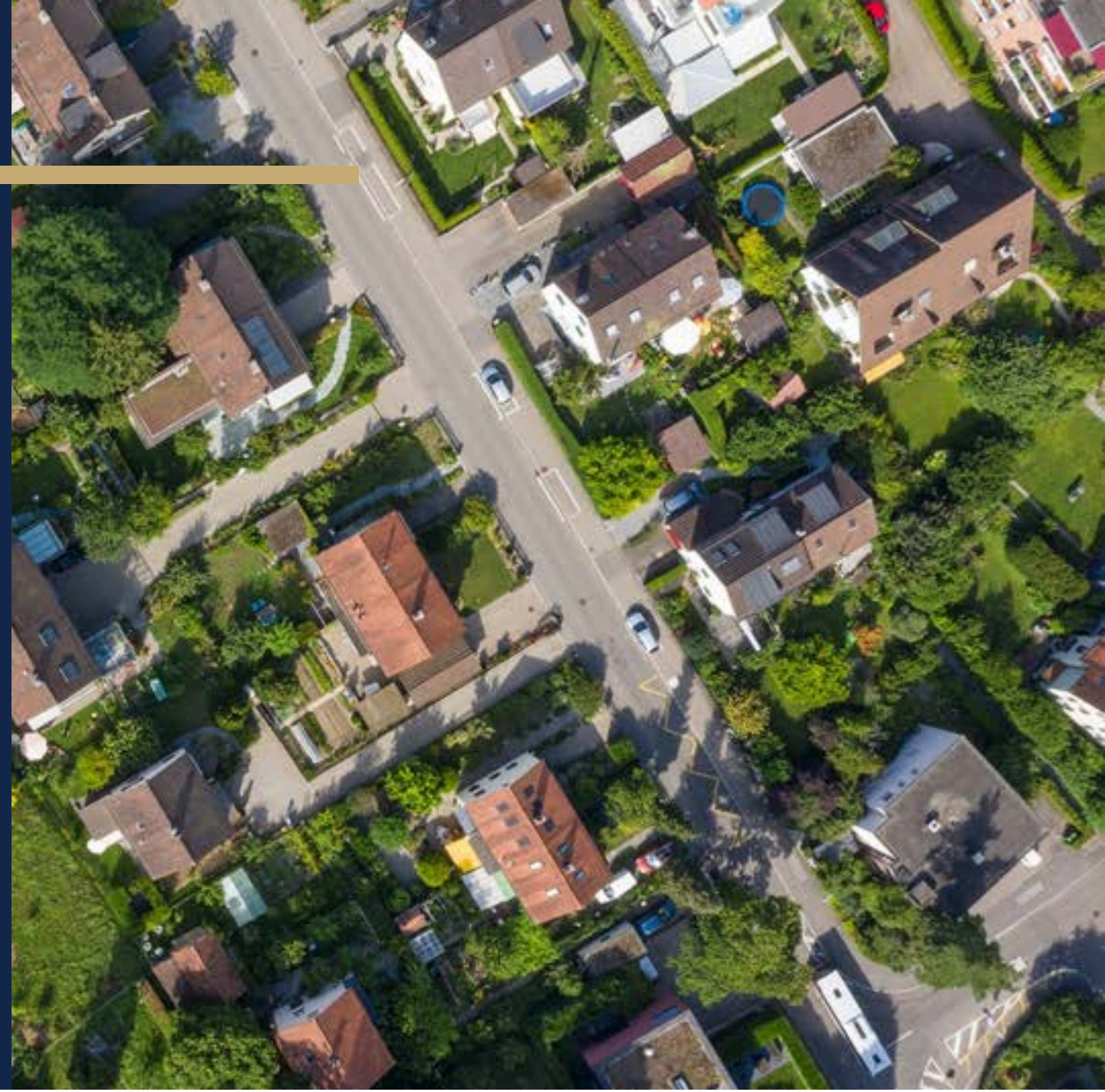
# Investment

How can Racine County use sales tax revenue to improve county services and quality of life?



# PROPERTY TAX RELIEF

# 51%



51% of annual county sales tax revenue will fund property tax relief, while the remaining 49% will support essential county services, property stabilization, and capital.



# MUNICIPALITY BENEFITS



Racine County must establish a reliable 911 dispatch system, improving coverage and enhancing first responder services for all municipalities.

## **PUBLIC SAFETY**

Replace outdated emergency radio system, providing subsidies to municipalities to purchase new first responder radios

## **FUTURE PROJECTS**

Additional, future projects include infrastructure, economic development, enhanced essential services, and more

# YES OR NO ON COUNTY SALES TAX?

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The following outlines the pros and cons of voting for or against a county sales tax.



## Sales Tax

- **Reduces Property Taxes:** Forces out-of-county visitors to pay their fair share, with 51% of annual county sales tax revenue going back to local property owners and reducing property taxes.
- **Protects Essential Services:** Prevents cuts to critical services and employees across 911 dispatch, law enforcement, and mental health care.
- **Enhances Financial Stability:** Avoids increasing long-term debt and financial instability by providing a steady revenue stream.



## No Sales Tax

- **Increases Property Taxes:** Without a sales tax, the burden on property owners will increase due to record inflation, dwindling state revenue, and growing community challenges.
- **Cuts Essential Services:** Reduces quality of essential services with employee and service cuts, impacting community safety, public health, and quality of life.
- **Increases Debt, Reduces Stability:** Increases long-term debt and financial instability, raising future costs and further burdening taxpayers.





# Thank You

Thank you for helping advance fiscal responsibility for Racine County



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