

**DATE:** June 30, 2008

**TO:** The Honorable County Board of Supervisors

**FROM:** County Executive Scott Walker

**SUBJECT: VETO OF FILE NO. Substitute Resolution to 08-248 and 08-217**

I am vetoing County Board File No. 08-248 and 08-217 pursuant to the authority granted to me by Article IV, Section 23(a) of the Wisconsin Constitution and Section 59.17(6) of the Wisconsin Statutes.

*"The County Board adopted a substitute resolution on June 26, 2008 providing for an advisory referendum on the question of whether the State of Wisconsin should grant Milwaukee County the authority to levy an additional one percent (1%) county use and sales tax, the revenues of which will be dedicated to support property tax relief, Milwaukee County parks, recreation and culture programs and services, transit services and the emergency medical services (EMS) program."*

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For the following reasons, I am vetoing the entire resolution:

**Negative Economic Impact:** At a time when fuel and food costs continue to rise, residents are worried about their jobs and employers are concerned about sales, passing a \$130 million tax increase will not have a positive impact on the economy.

**Non-Property Tax Relief:** History shows that a new sales tax will not provide property tax relief. In 1991, the members of the County Board created a .5% sales tax increase through a resolution that called for the funds to be used to provide "property tax relief." From 1992 to 2002, the county property tax levy went up 55%.

Furthermore, the county's Corporation Counsel notes that "*The County Board cannot provide a "true guarantee"*" of property tax relief. Nothing in the referendum question legally binds anyone to provide any form of property tax relief – now or in the future.

**Tax Island:** A 1% increase in the sales tax will give Milwaukee County the highest sales tax in the state. Currently, our neighbors in Racine and Waukesha counties do not pay a county sales tax. A new sales tax would put Milwaukee County 1.5% higher than our neighboring counties. This will cost our county jobs and residents.

**Non-Binding Question:** The referendum question passed in this resolution is merely advisory. There is nothing that legally requires anyone to enact a sales tax.

In the spring of 2005, voters in 69 of 72 counties overwhelmingly passed referendum questions calling on the state to end mandates on county government for the courts and

social services. Instead of acting on those recommendations, the Governor and the State Legislature proposed budgets that actually increased the costs of state mandates.

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We have better ways to protect the parks and support mass transit in Milwaukee County. I am willing to work with the members of the County Board to turn those ideas of hope into a reality. Now, however, is not the time to pour water on the local economy with a huge tax increase. There are better alternatives that do not raise taxes by \$130 million.