

# UNDER THE DOME

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## Growing Interest in Personal Property Tax Repeal

Senate Finance Co-chair Alberta Darling said there's growing interest among lawmakers in repealing or beginning to phase-out the personal property tax in this budget. The Senate Republican JFC members met in caucus to discuss the measure, which comes with a price tag of \$261 million annually. Instead of taking it on all at once they are more likely to do a phase-out. Business and conservative groups have long been proponents of repeal and turned out in large numbers recently at a public hearing on standalone repeal legislation that is currently making its way through the process. Under the proposal, the state would reimburse municipalities and schools with general fund tax dollars, a provision that has led local government groups to take a neutral position. Senate Majority Leader Fitzgerald took a cautious approach saying the proposal is certainly still on the table, however, further discussions about the measure will be guided by the amount of available revenue.

## Soglin Considering Gubernatorial Run

Madison Mayor Paul Soglin recently told reporters he is mulling a run for governor in 2018. He had previously ruled out a bid but said he has since given the idea more consideration and believes the economic success of the City of Madison and Dane County makes for a compelling argument that his leadership can help spur growth outstate. Soglin, in his third stint as mayor, first winning office in 1973, also said the appeal of former Democratic presidential candidate Bernie Sanders proved that a liberal from Madison like him might have a chance to win statewide. Governor Walker weighed in, telling reporters in Fitchburg that Soglin's entrance would make for a lively race, while knocking him for being an unabashed radical liberal who would have trouble running statewide. Walker acknowledged widespread support for Sanders in Madison but said that argument will not play well in the rest of the state.

## Vinehout Takes Straw Poll at Democratic Convention

Activists gathered at the state Democratic Party annual convention in Middleton. Martha Laning was re-elected chair and will lead the party for another two years, despite disappointing election results during her recent tenure, including the upset Trump victory last November. Laning won with 722 delegate votes, compared to 569 for Glendale Mayor Bryan Kennedy, 50 for Madison attorney Eric Finch, and 48 for Joe Donovan, a small business owner from Crivitz. State Rep. David Bowen was re-elected first vice chair while former state Rep. Mandela Barnes won second vice chair. Looking ahead to the 2018 gubernatorial contest, in which Governor Walker is expected to run for a third term, a straw poll was conducted at convention by WisPolitics to determine the front-runner among convention goers. More than a third of respondents, 38%, favored state Sen. Kathleen Vinehout for the party's nomination, state Rep. Dana Wachs came in second with 13%, while Bob Harlow, a newcomer to the state and the only officially announced candidate for governor, received less than 1%. 2012 lieutenant governor candidate Mahlon Mitchell, Milwaukee businessman Andy Gronik, Jefferson County District Attorney Susan Happ, and former state party chairman Matt Flynn are also said to be considering a bid. The Democrats will gather in Oshkosh next year.

## Upcoming Session Days

The Senate and Assembly will be in session Wednesday, June 14<sup>th</sup>.

## Assembly, Senate Come to Budget Impasse

The Joint Finance Committee reversed course and did not meet as planned as Assembly and Senate Republicans hit an impasse on major remaining budget items including education, transportation, and taxes. On education and transportation, the Senate appears to be more aligned with the governor, while Assembly leaders unveiled an education proposal that departs from the governor. They also continue to call for a solution to the state's \$1 billion transportation fund shortfall, and remain open to revenue enhancements, a step Walker has ruled out repeatedly. To that end, Walker continued his public calls on lawmakers to approve his transportation plan, holding another press conference in front of a major highway reconstruction project in Fitchburg. K-12 education funding had been a less contentious issue until Assembly GOP unveiled their plan, adding to the budget woes. Taxes also continue to be debated, including whether to approve the governor's proposed elimination of the state property tax, personal property repeal, income tax cuts, and the overall property tax level they ultimately will sign-off on.

## Assembly GOP Unveil K-12 Funding Proposal

Assembly Speaker Robin Vos and JFC Co-chair John Nygren unveiled an alternative K-12 education package they say will reward low spending districts, while continuing to hold the line on property taxes at a level that is below when Walker and Republicans took control of state government in 2010. Their plan was not well received by Senate leaders or the governor, who appear to be in agreement on his proposal to provide a \$648 million increase to districts over the next biennium. Prior to the Assembly GOP press conference, Senate Majority Leader Scott Fitzgerald issued a press release saying the plan was a nonstarter in their house. Fitzgerald also ramped up pressure on the Assembly by saying the Senate may pass a budget without the Assembly, something that has not happened in years. Sen. Alberta Darling said Senate Republicans are warming to the idea of creating a new categorical aid to help low-spending districts, a priority of Assembly GOP lawmakers. Instead of relying on allowing low-spending districts to increase property taxes, which the Assembly plan does by \$92.2 million to boost low-district spending up to \$9,800 per student, Darling said Senate Republicans are instead talking about providing additional help through state aid. A key piece of the debate is the overall level of property taxes the budget allows for. Governor Walker and the Senate aim to keep property taxes statewide lower in 2018 than 2014. On the other hand, Assembly GOP are looking to 2010, arguing Walker's pledge on property taxes is met if they are lower in 2018 than when he was elected in 2010. The Assembly approach would free up general fund dollars or allow for the property tax increase under their education plan. Rep. Nygren told reporters he was heartened to hear Senate Republicans acknowledge there is a problem and are looking to help low-spending districts, though he questioned where they planned to find the money to do so.

## Democrats Propose Campaign Finance Overhaul

A group of Democratic lawmakers unveiled a package of bills to tighten Wisconsin's campaign finance laws, including the repeal of key portions of a reform package pushed through by Republicans last session. Led by state Sen. Chris Larson, the "Campaign Integrity" package contains eight measures including a prohibition on corporate contributions to political action committees and lowering campaign contribution limits for committees and individuals. Another bill would require committees to disclose the employer and occupation of individuals who contribute more than \$100. Larson was joined at a press conference by the liberal group Common Cause Wisconsin who said the bills would reinstate Wisconsin's tough stance on campaign finance, while both criticized Republicans for weakening them in 2015. At the time, Republicans argued an overhaul was long overdue to reflect outdated laws and limits, while protecting individuals' rights to express their opinion.