

**LEAGUE  
OF WISCONSIN  
MUNICIPALITIES**

# A Citizen's **Guide** to Wisconsin Cities and Villages



*Your Voice. Your Wisconsin.*



# A Citizen's Guide to Wisconsin Cities and Villages



Municipal government is all around us. It is the sidewalks and streets outside our homes; the water we drink; the police officer and fire fighter responding to our 9-1-1 calls; and the parks and libraries that enhance our communities. While many of us encounter some aspect of municipal government daily, people are often confused about what services cities and villages provide and how they are funded.

The League of Wisconsin Municipalities is pleased to present this guide to city and village government in Wisconsin. It provides basic information about how municipal government is organized and funded and how it differs from other local governments.

## What are Cities and Villages?

Cities and villages are general-purpose units of government providing essential urban services like police, fire, water, and sewer in a defined geographical area. Cities and villages in Wisconsin are incorporated municipalities and are created at the request of their inhabitants.

**As of February 2015 there are 190 cities and 407 villages in Wisconsin. Seventy percent of the state's population resides in cities and villages. Most of the state's commercial, manufacturing, medical and higher education facilities are located in cities and villages.**

## How do Cities and Villages Differ from Towns and Counties?

Cities and villages typically provide a range and level of services that are different from those provided by counties and towns. For example, counties in general do not provide fire protection services while cities and villages do. Counties, unlike cities and villages, are responsible for operating the circuit court systems and health and social service programs.

Towns typically do not provide the full spectrum of urban services that you find in cities and villages, such as public water and sewer systems, libraries and fire departments.

Cities and villages in Wisconsin also differ from other local governments, such as towns and counties, because they possess more power to govern themselves in local matters without state government interference. That is, cities and villages are granted broad authority under the Wisconsin constitution and statutes to govern themselves locally. The term used to describe this grant of authority is "home rule."

In addition, cities and villages, unlike towns and counties, can expand their boundaries through annexation of adjacent unincorporated territory. Other significant differences between incorporated municipalities and unincorporated towns include:

- Cities and villages have broad authority to create tax incremental finance districts (TIFs) to foster economic development or redevelopment while most towns have very limited TIF authority.
- A city or village has the power to approve subdivisions outside its borders. Towns lack such authority.
- Citizens in cities and villages can initiate ordinances and resolutions through the direct legislation process while citizens in towns lack such powers. Towns have an annual town meeting. Cities and villages do not.

# How Are Cities & Villages Created?

Cities and villages are created by incorporation and consolidation.

## INCORPORATION

Until 1871 for villages and 1892 for cities, municipalities were incorporated by special acts of the Wisconsin legislature. Altogether, 213 villages and 110 cities were incorporated by special act during the early years of Wisconsin's statehood.

After 1892 all incorporations of cities and villages in Wisconsin were achieved by following the incorporation procedures promulgated by the legislature and set forth in the Wisconsin statutes.

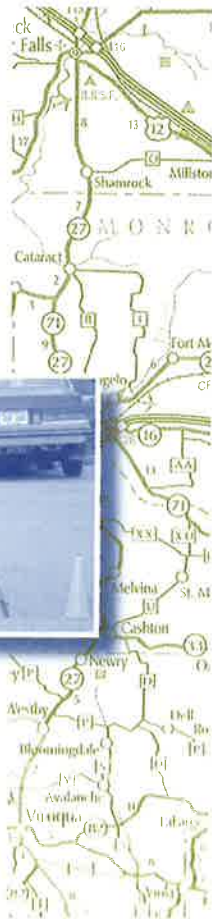
The current incorporation process involves

- Petition signed by area residents;
- Circuit court review;

- Incorporation Review Board review;
- Potential involvement of neighboring municipalities who may support or oppose the proposed incorporation;
- Potential referendum vote by residents

## CONSOLIDATION

Another way a town may become a city or village is by consolidating with an existing contiguous city or village. Under this process, a consolidation ordinance must be passed by a two-thirds vote of all the members of each board or council, fixing the terms of the consolidation. The electors at a referendum held in each municipality must then ratify the consolidation ordinances.

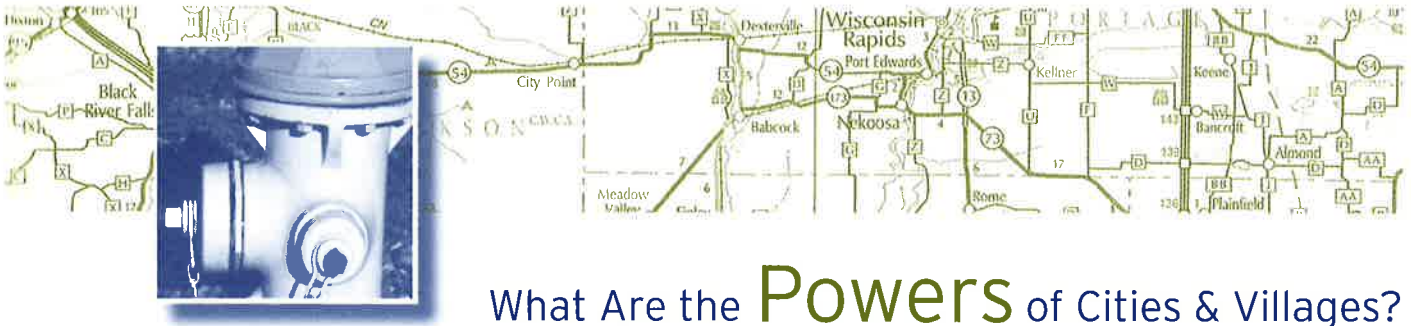


# How Do Cities & Villages Grow?

Cities and Villages grow by annexing adjacent town territory.

Annexation is the process by which parcels of land in unincorporated areas come under the jurisdiction of adjacent cities or villages. Annexation in Wisconsin is a landowner-driven process. Landowners are motivated to annex their land into a city or village for different reasons, but generally it is the desire to obtain higher levels of service, such as sewer or water, than the town is able or willing to provide. Cities and villages cannot unilaterally annex town territory unless the parcels are town islands in existence on December 2, 1973 or are owned by the municipality.

The most common method of annexation is direct annexation initiated by electors and property owners. Under this method, town territory contiguous to a city or village may be annexed when a petition signed by electors and property owners is filed with the city or village requesting that the described territory in which they reside or own property be annexed. The annexation becomes effective only after a city's or village's governing body enacts an annexation ordinance by a two-thirds vote of all the members of the body.



## What Are the Powers of Cities & Villages?

Cities and Villages are created by the state and therefore have only as much power as the state gives them. Wisconsin cities and villages have been given broad authority to act for the health, safety and general welfare of the community. Wisconsin cities and villages have been granted extensive home rule powers to govern themselves in local matters without state interference. Although Wisconsin municipalities enjoy broad home rule authority, the legislature and Wisconsin court decisions have over time steadily eroded that authority.

Wisconsin municipalities have two sources of home rule authority: (a) Constitutional and (b) statutory. There are important differences between the two.

### CONSTITUTIONAL HOME RULE

The Constitutional home rule amendment, which was adopted by the electorate in 1924, allows municipalities to determine their local affairs and government, subject only to the constitution and to legislative enactments of statewide concern that uniformly affect every city or every village. The amendment requires a municipality to exercise its constitutional home rule through the adoption of a charter ordinance.

The constitutional home rule powers granted to municipalities have been narrowly construed by court decisions and sparingly used by Wisconsin cities and villages. The courts have taken the view that the constitutional home rule provision does not limit the legislature when

it legislates on matters of state wide concern and only requires that it legislate uniformly if the subject is a local affair. The majority of court decisions analyzing a municipality's attempt to exert constitutional home rule authority have concluded that the municipal enactment touches on a matter of statewide concern and is therefore invalid.

### STATUTORY HOME RULE

The second source of municipal home rule powers exists in the state statutes. The statutory grants of home rule power are found in Wis. Stat. secs. 62.11(5) (cities), and 61.34(1) (villages). Statutory home rule power is separate and distinct from the constitutional home rule power. These grants of power are broad and give the governing body of the municipality, except as otherwise provided by law, management and control of the municipality's property, finances, highways, navigable waters, and the public service. The statutes empower the governing body to act for the government and good order of the municipality, for its commercial benefit, and for the health, safety, and welfare of the public. Finally, the statutes authorize the governing body to carry out its powers by license, regulation, suppression, borrowing of money, tax levy, appropriation, fine, imprisonment, confiscation, and other necessary or convenient means.

Unlike constitutional home rule, legislative or statutory home rule is not limited to local affairs and government. Indeed, the courts have said that legislative home

rule would be a nullity if it were construed to confer on municipalities only that authority which relates to "local affairs" since that power is already constitutionally guaranteed by the home rule amendment. Thus, municipalities may act even in matters of statewide concern when exercising statutory home rule powers although there are limits to what they can do.

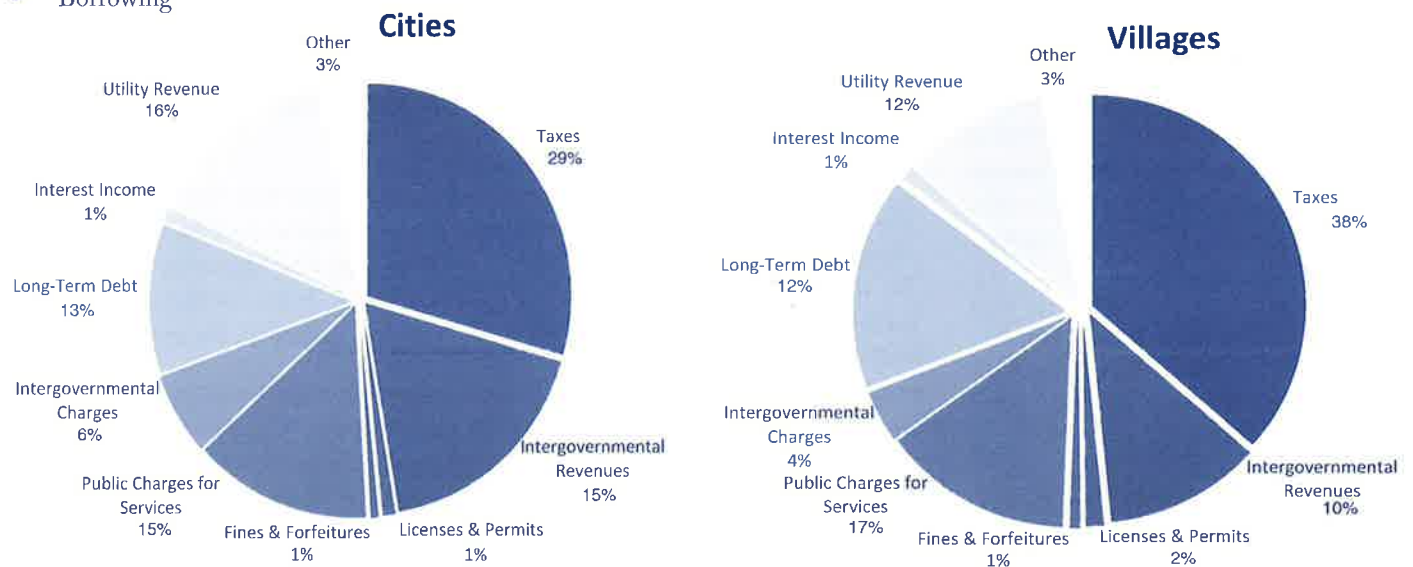
Municipalities may enact ordinances in the same field and on the same subject covered by state legislation where such ordinances do not conflict with, but rather complement, the state legislation.

However, where a municipality acts within the legislative grant of power the state has the authority to withdraw or preempt the power of the municipality to act. A municipality cannot lawfully forbid what the legislature has expressly licensed, authorized or required or authorize what legislation has forbidden. If the state has expressed through legislation public policy concerning a subject, a municipality cannot ordain an effect contrary to or in qualification of the established public policy unless there is a specific, positive, lawful grant of power by the state to the municipality to so ordain.

# What Revenues Are Available to Cities & Villages?

For the most part, Wisconsin municipalities finance public services and capital assets through a combination of property taxes, shared revenue and state transportation aids, special assessments, fees and borrowing. Since 2005 state law limits the annual growth in a community's property tax levy. A list of revenue sources available to municipalities follows:

- Property Taxes
- Shared revenue payments from the state
- Transportation aids from the state
- Fees for licenses, permits and other approvals
- Forfeitures
- Special assessments
- Impact fees on new development
- Interest income
- Room tax
- Borrowing
- Recycling grants from the state
- Computer tax reimbursement from the state
- Payments in lieu of taxes from tax exempt property owners
- Utility charges
- Special charges for current services
- Parking fees
- Mobile Home monthly parking permit fee
- User fees
- Wheel tax



Source: Informational Paper 16, *Municipal and County Finance*, Wisconsin Legislative Fiscal Bureau, January, 2015. "Taxes" includes property taxes, special assessments and other local taxes. "Intergovernmental Revenues" includes federal and state aid, such as shared revenue and general transportation aids.

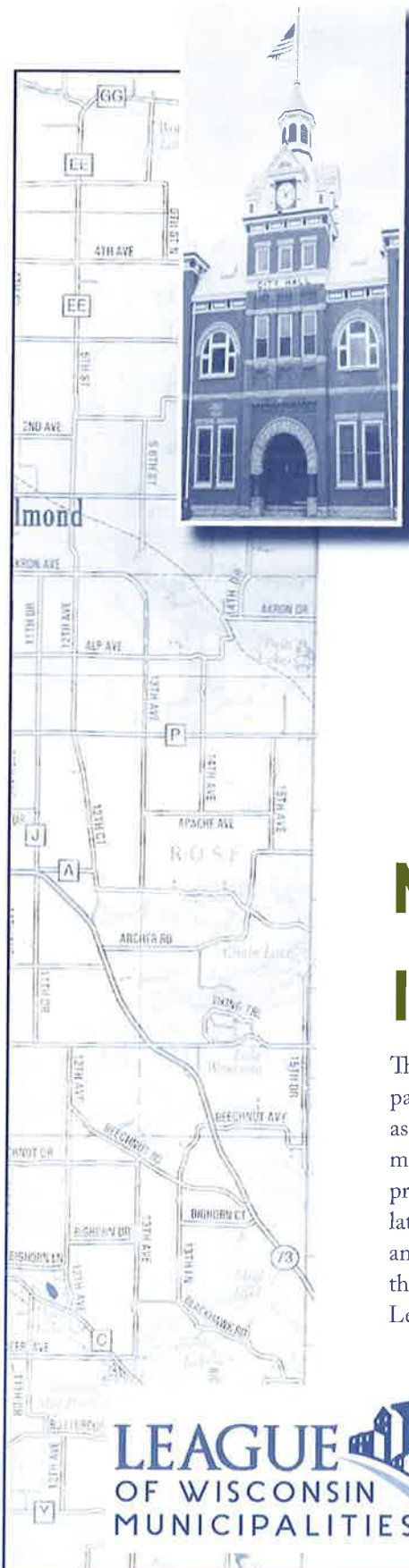
## Must Cities And Villages Adopt an Annual Budget?

Yes, all cities and villages must adopt an annual budget. Wisconsin cities and villages operate on a calendar fiscal year. Municipalities typically adopt their budgets in October and November. Wis. Stat. sec. 65.90(2) specifies what information must be included in a municipal budget. A municipal governing body must, before adopting the annual budget, hold a public hearing on the proposed budget to allow citizen comments. To inform the public about the proposed budget, the municipality must publish a budget summary and notice of the public hearing on the budget at least 15 days before the hearing. Sometime after the public hearing, either at the same meeting or at a subsequent one, the budget ordinance or resolution is formally adopted by the governing body.

A two-thirds vote of the entire governing body is required to change an adopted budget, and a notice of the change must be published in the newspaper within 10 days after the change is made.







## Did You Know?

Cities and Villages are where most of Wisconsin residents live, work, play, learn and receive health care. Most of the state's commercial, manufacturing, medical and higher education facilities are located in cities and villages.

Wisconsin's cities and villages are home to:

- Seventy percent of the state's population,
- Most of the state's 156 hospitals,
- Twelve of Thirteen UW System four-year campuses,
- Eighty-seven percent of all commercial property.

## More INFORMATION

This guide was prepared by the League of Wisconsin Municipalities. The League is a voluntary not-for-profit, non-partisan association of Wisconsin cities and villages working to advance municipal government. First established in 1898, the League provides a variety of services to its members including, legislative advocacy, information sharing, legal advice, education and training, and insurance options. More information about the League and Wisconsin municipalities is available on the League's Website: [www.lwm-info.org](http://www.lwm-info.org).

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