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Projected loss of tourism revenue underscores need for structural change

Statement of Common Council President Cavalier Johnson April 26, 2021

Last week it was reported that Milwaukee could be facing a loss of approximately \$600 million from tourism due to the cancellation of events like Summerfest, the Democratic National Convention and others in 2020. This projection underscores how the state funding mechanisms for communities across Wisconsin are broken.

Communities like Milwaukee are responsible for delivering services to residents and visitors alike, and while Milwaukee would not have directly benefited from taxation of this tourism revenue, the State government certainly would have, while not allocating a fair share of that revenue back to Milwaukee.

This is precisely why I traveled to testify at the Joint Finance Committee's public hearing last week regarding the proposed budget. A local sales tax would allow Milwaukee to capture a portion of that tourism revenue to fund essential City services that increase quality of life for our residents and keep Milwaukee an attractive destination for visitors.

While this funding imbalance is often portrayed as a Milwaukee issue, the fact is communities large and small across Wisconsin are feeling the pinch of too few revenue options. Brookfield Alderman Mike Hallquist noted that their community is projected to face an increasing deficit over the next five years, and this matches the testimony given by many other local elected officials last week.

It is unfortunate that it may take communities like Brookfield to face financial short comings for the Legislature to finally take action. But if Wisconsin's local government revenue tools don't work for municipalities like Brookfield, then they just don't work. Period. Our State funding systems are broken, and the time for change is now.

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