



CITY OF APPLETON

MEMORANDUM

Date: May 15, 2024
To: Finance Committee
From: Danielle L. Block, PE Director of Public Works
Subject: Wheel Tax Questions

During the last Finance Committee Meeting, Resolution #5-R-24 Increasing the Wheel Tax was discussed. Below is background information and answers to the questions raised.

- What is the estimated amount of revenue we expect if the tax is increased?
 - o We have approximately 64,540 vehicles under the Wheel Tax
 - o The increase would generate approximately \$645,400 in additional revenue.
 - o In 2023, the City collected \$1,279,821 in wheel tax.
- What projects could be funded with the increased revenue?
 - o The funds can only be used on road **reconstruction**.
 - o 2023 Estimates for Reconstruction:
 - Total asphalt reconstruction = \$1.7M/Mile
 - Total concrete reconstruction = \$2.6M/Mile
 - o Typically less than 1% of City streets are reconstructed on an annual basis. This fact, coupled with new streets added annually to the system, results in no overall reduction in our Citywide street maintenance costs.
- What else is being looked at to fund projects – are we increasing other revenues or cutting other expenses?
 - o Sources of revenue:
 - Exploration of a transportation utility has been put on hold.
 - Property Tax
 - Wheel Tax
 - General Transportation Aids
 - Borrowed Funds
 - Federal & State Grants
 - TIF
 - o Typical reconstruction program annually exceeds the revenue of the Wheel Tax and is supplemented by the sources of revenue listed above.
- What are the restrictions of what we can/can't do with the funds?
 - o Sec. 18-86 "...used solely for assisting with existing road construction replacement."
 - o No new subdivisions, new concrete or asphalt roads.
- Can we alter/change the vehicles that the tax is assessed on?
 - o Current Municipal Code states:
 - All vehicles exempted by Wis. State Statutes Ch. 341 from payment of a state vehicle registration fee.
 - All vehicles registered by the State of WI under 341.26 for a fee of five dollars.
 - A vehicle that is a replacement for a vehicle that has a current registration.