

Date: January 20, 2026

To: Common Council
John Weidl, City Manager

From: Rachelle Blitch, Director of Financial and Administrative Services

Re: Referendum Estimated Projections vs. Actual Impact

The purpose of this memo is to explain why the tax impact of the recent referendum differed from the original projections for residents of Jefferson County and Walworth County. The final figures show a higher-than-projected impact for Jefferson County residents and a lower-than-projected impact for Walworth County residents. This outcome is directly related to the relative growth rates of the two counties and the resulting allocation of the tax levy.

Original Referendum Impact Projections

When the referendum was presented to voters, the estimated tax impacts were:

- **Jefferson County residents: \$0.92** per \$1,000 of assessed value
- **Walworth County residents: \$1.18** per \$1,000 of assessed value

These estimates were based on the current equalized values at the time and assuming no change in the allocation between counties.

Actual Referendum Impacts

After updated equalized values were released, the actual tax impacts were calculated as:

- **Jefferson County residents: \$1.60** per \$1,000 of assessed value
- **Walworth County residents: \$0.95** per \$1,000 of assessed value

Reason for the Difference

The variation between projected and actual impacts is rooted in how property tax levy is distributed under Wisconsin law. The levy is allocated proportionally based on *each county's share of the district's total equalized TID/Out value*. Changes in equalized values have a direct influence on how much of the levy each county must bear.

Key factor: Uneven growth between Jefferson and Walworth Counties

- **Walworth County's equalized value grew at a slower rate – 1%**

- **Jefferson County's equalized value grew at a faster rate – 7%**

Because Jefferson County's share of the total equalized value became larger than projected, **a larger portion of the referendum levy shifted to Jefferson County residents**. Conversely, because Walworth County's share of the total equalized value decreased, **Walworth residents absorbed a smaller portion of the levy than originally projected**.

This redistribution resulted in:

- **Higher tax impact for Jefferson County residents** than projected
- **Lower tax impact for Walworth County residents** than projected

Summary

The actual referendum tax impacts differ from the original projections due to changing equalized values between the two counties. Slower relative growth in Walworth County shifted less of the levy onto those residents, while stronger relative growth in Jefferson County increased the levy share borne by Jefferson residents. These variations are a normal consequence of the state's equalized-value-based levy allocation process.