

In the Board Room: Act 12 and Innovation Grants

December 17, 2025

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ATTOLLES
LAW, s.c.

Wisconsin Department of
Revenue



General Overview

- 2023 Wisconsin Act 12: A Review
- Innovation Grants
 - Overview from the Department of Revenue
 - Considerations for Prospective Participants
 - Selection Criteria
 - Reporting and Compliance
- Questions



An aerial photograph of a city, likely Milwaukee, showing a mix of urban buildings and green spaces. A semi-transparent white banner is overlaid across the middle of the image, containing the title text in green.

2023 Wisconsin Act 12: A Review

- Wis. Stat. § 77.70(2) and § 77.701 – Created special sales and use tax authority for Milwaukee County and the City of Milwaukee.
- Wis. Stat. § 70.015 and § 79.0965 – Repealed the personal property tax and created a replacement payment structure for local governments as part of the broader state aid system.
- Wis. Stat. § 79.037 – Created the supplemental shared revenue program.
- Wis. Stat. § 79.038 – Created the innovation grant program.



Personal Property Tax Replacement

- Wis. Stat. § 79.0965(1)
 - Beginning in 2025, the Department of Administration is to pay to each taxing jurisdiction “an amount equal to the property taxes levied on the items of personal property . . . for the personal property tax assessments as of January 1, 2023.”
 - Applies to counties. See Wis. Stat. § 79.095(1)(c).



Supplemental Shared Revenue Program

- Wis. Stat. § 79.037
 - This program provides funds to be used for “law enforcement, fire protection, emergency medical services, emergency response communications, public works, courts, and transportation, except that no amounts received [as Supplemental Shared Revenue] may be used for administrative services.”
 - The amount of Supplemental Shared Revenue is determined by formula. See Wis. Stat. § 79.037(2) and (3).
 - Counties were guaranteed \$50,000 in Supplemental Shared Revenue in 2024, and could receive more based on:
 - The amount of shared revenue received by the county in 2022,
 - The county’s levy limit, and
 - The county’s population.

An aerial photograph of a city, likely Boston, showing a mix of urban buildings and green spaces. A semi-transparent white banner is overlaid across the middle of the image, containing the title 'Innovation Grants' in a bold, green, sans-serif font.

Innovation Grants

- Overview from the Department of Revenue
- Considerations for Prospective Participants
- Selection Criteria
- Reporting and Compliance

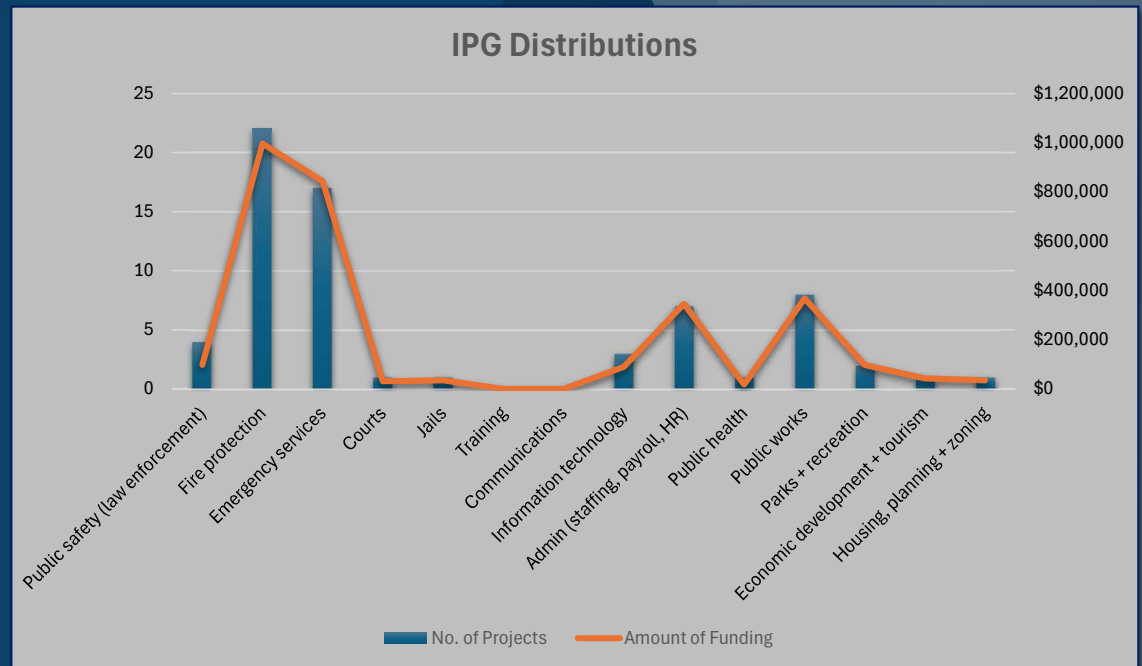
INNOVATION GRANT

Wisconsin Department of Revenue | State and Local Finance Division

Wisconsin Counties Association | December 17, 2025

INNOVATION PLANNING GRANT

- Approx. \$3M distributed
- 68 projects



INNOVATION GRANTS

Overview



INNOVATION GRANT

- \$300M available – for counties, municipalities, and tribes
- Innovation plan – contract/agreement to transfer a service/duty to another:
 - County, municipality, tribe, non-profit organization, or private entity
- Allowable service/duty
- Sec. 79.038, Wis. Stats.



ALLOWABLE SERVICES

- Public safety (law enforcement)
- Fire protection
- Emergency services
- Courts
- Jails
- Training
- Communications
- Information technology
- Admin (staffing, payroll, HR)
- Public health
- Public works
- Parks + recreation
- Economic development + tourism
- Housing, planning + zoning



CONTRACT OR AGREEMENT



- Services/duty to be transferred
- Signature date – on or after the November 13, 2024
- Transfer effective date
- Length of contract – minimum of three years
- Detailed cost information – for all local governments to provide the service/duty:
 - Calendar year prior to the transfer
 - First year of the service transfer
 - Duration of the contract or agreement
- Allocation of grant funds amongst the participating local governments
- Sec. 79.038(1)(a)1., Wis. Stats.

115% COST INCREASE LIMITATION

- Required during grant award period
- Total costs for all counties, municipalities, or tribes to provide the transferred service cannot exceed 115% of the total costs for those entities to provide the service in the calendar year prior to the transfer
- If not, following year's grant payment is withheld



No more than
\$10M per year

PAYMENT DISTRIBUTIONS

- Grant award period ends June 30, 2030
- **Annual grant payment** = 25% of the total costs of providing the service/duty for the local government transferor(s) in the calendar year prior to the transfer
- Maximum of five annual payments
- **No. of annual payments** – based on:
 - Date of the first grant payment
 - Duration of the service/duty transfer



SCENARIOS

How does it work?



SCENARIO ONE

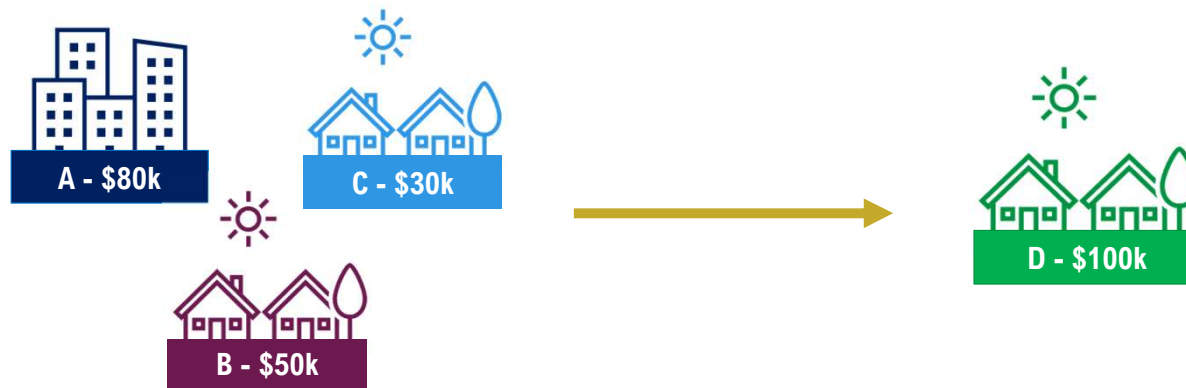


Transfer between local governments

- Service transfer duration of 6 years
- First grant payment distributed by June 30, 2026

Total cost (\$80k + \$100k)	\$180,000
Annual grant payment (\$80k * 25%)	\$20,000
x 5 years	\$100,000
Cost increase limitation each year (\$180k * 115%)	\$207,000

SCENARIO TWO



Transfer between local governments

- Service transfer duration of 6 years
- First grant payment distributed by June 30, 2026

Total cost (\$80k + \$50k + \$30k + \$100k)	\$260,000
Annual grant payment (\$160k * 25%)	\$40,000
x 5 years	\$200,000
Cost increase limitation each year (\$260k * 115%)	\$299,000

FILING PROCESS

Form SL-405





FILING PROCESS

- Form SL-405 – Innovation Grant Application
 - Launched September 17, 2025
 - E-file in [MyDORGov](#)
 - Available for county and municipal clerks, tribe representatives
- Due March 31, 2026





2025 Innovation Grant Form SL-405

Filing Instructions

1. Review the [form instructions](#) before you begin filing (*opens a new window*)
2. Verify the district information below
3. As you complete the form:
 - Follow the form instructions on the right side panel
 - Check for accuracy
 - Save periodically
4. Attach documents if required
5. Click "Submit" when the form is complete
6. Before exiting, print and/or save a copy for your records (including your confirmation number)

Filing deadline - March 31, 2026

Questions?

- General filing - [review our online filing help](#)
- Form information
 - [Common questions](#)
 - [Form instructions](#)
 - lgs@wisconsin.gov
 - (608) 266-1932
 - (608) 266-5815

District Information

District 01002 - ADAMS COUNTY - TOWN OF ADAMS

Year 2025

Report type ORIGINAL

Exit

Start Filing



2025 Innovation Grant Form SL-405

TOWN OF ADAMS
01002


Due Date
March 31, 2026

Report Type
ORIGINAL

Section A — Innovation Plan Contract and Service Type

Contract/Agreement




All parties to the contract/agreement must sign the innovation plan contract/agreement:

1. Does your innovation plan include a contract/agreement signed by all parties to the contract?  ☒ Yes ☐ No

2. Attach  
- Copy of signed contract/agreement
 - Additional documentation outlining the innovation plan

3. Enter the project name  

Service and Duty Information

4. Select the service type you plan to transfer (sec [79.038\(1\)\(b\)](#), Wis. Stats.)   

5. Are you transferring all or part of the selected service type? ☒ All ☐ Part

2025 Innovation Grant

Form SL-405

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Section A — Innovation Plan Contract and Service Type

Signature and Service Transfer Dates

6. Does your signed contract/agreement transfer all services or duties for a period of at least three years? ? * ☐ Yes ☐ No

Enter the applicable dates below:

7. Enter the signature date of your signed contract/agreement ? * 03/15/2025

8. Enter the date the service/duty will be transferred per the signed contract/agreement * 07/01/2025

Calendar year immediately preceding the transfer date outlined in your signed contract/agreement ? 2024

9. Enter the date the contract/agreement will expire ? * 12/31/2030

Calculated duration of signed contract/agreement (years) ? 5

Maximum number of potential annual payments ? 5

2025 Innovation Grant

Form SL-405

TOWN OF ADAMS
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Section B — Parties to the Contract

Transferors

Transferor's entity type MUNICIPALITY



Transferor's entity * 01002 - ADAMS COUNTY - TOWN OF ADAMS

Transferor's entity type COUNTY



Transferor's entity * 03999 - COUNTY OF BARRON

+ Add

Transferees

Transferee's entity type NONPROFIT ORGANIZATION



Transferee's entity * TEST CORPORATION

Transferee's FEIN (not SSN) * ##-####



2025 Innovation Grant


Form SL-405

TOWN OF ADAMS
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Section C1 — Transferor Contract Requirements (01002 - ADAMS COUNTY - TOWN OF ADAMS) ≡

1. For the portion of the service/duty being transferred by this transferor, did the transferor provide all the services/duties in calendar year 2024, which is the year immediately preceding the transfer?  ☒ Yes ☐ No

2. Enter this transferor's total cost to provide the service/duty during calendar year 2024, which is the year immediately preceding the transfer...

Attach documentation supporting this amount (ex: cost summary, budget documentation) 

3. Enter the amount this transferor will pay the transferee(s) to perform the service/duty for:

3a. First year after the transfer...

3b. Entire term of the contract/agreement 



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Section D1 — Transferee Contract Requirements (02999 - COUNTY OF ASHLAND) ≡

1. Enter this transferee's total cost to provide the service/duty during calendar year 2024, which is the year immediately preceding the transfer ?

\$ 120,000

Attach documentation supporting this amount (ex: cost summary, budget documentation).....

Attach file

2025 Innovation Grant Form SL-405

TOWN OF ADAMS
01002


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Section E — Total Cost


Transferors	Cost
01002 - ADAMS COUNTY - TOWN OF ADAMS	\$ 25,000
03999 - COUNTY OF BARRON	\$ 45,000
<i>Total Transferor Cost</i>	\$ 70,000
Transferees	Cost
02999 - COUNTY OF ASHLAND	\$ 120,000
<i>Total Transferee Cost</i>	\$ 120,000
Total Cost	\$ 190,000

1. The transferor total cost listed above is the sum of the costs incurred by all participating transferors (county, municipality, or tribe) to provide the service/duty in the calendar year immediately preceding the transfer. This amount will be used to calculate the annual grant payment.

Is the transferor total cost correct? 

☐ Yes
☐ No

2. The total cost listed above is the sum of the costs incurred by all participating transferors and transferees (county, municipality, or tribe) to provide the service/duty in the calendar year immediately preceding the transfer. This amount will be used to calculate the 115% cost limit requirement.

Is the total cost amount correct? 

☐ Yes
☐ No

2025 Innovation Grant Form SL-405


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Section F — Innovation Plan Objectives

Cost Limitation

Total cost (from Sec. E)  \$ 190,000

115% cost limitation  \$ 218,500

If the total cost of all participating counties, municipalities, or tribes exceeds the 115% cost limitation in a year during the grant award period, the Wisconsin Department of Revenue will not make a grant payment in the following year (sec. 79.038(1)(d)3m., Wis. Stats.)

1. Do you certify that you understand the 115% cost limitation requirement? ☐ Yes
..... ☐ No

Objectives

1. Does the innovation plan improve the quality of the service/duty and/or accessibility? ☐ Yes
..... ☐ No
2. Does the innovation plan incorporate new process improvements to enhance the method used to deliver the service/duty? ☐ Yes
..... ☐ No
3. Did you use Innovation Planning Grant (IPG) funds to develop the innovation plan? ☐ Yes
..... ☐ No

2025 Innovation Grant

Form SL-405


TOWN OF ADAMS
01002

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Section G — Grant Allocation

Grant Amount

Transferors		Amount
01002 - ADAMS COUNTY - TOWN OF ADAMS		\$ 25,000
03999 - COUNTY OF BARRON		\$ 45,000
Costs/Payments		Amount
1.	Total transferor cost	\$ 70,000
2.	Annual grant payment (Line 1 multiplied by 0.25) 	\$ 17,500

The total number of annual payments will be based on the date of your first grant payment, the duration of your contract (in years), and whether you meet the 115% cost limitation requirement (secs. 79.038(1)(d)1., and 79.038(1)(d)3m., Wis. Stats.)

Grant Allocation

Would you prefer to report your grant allocation by grant amount or percentage of grant? ☒ Amount ☐ Percentage

2025 Innovation Grant

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TOWN OF ADAMS
01002

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Section H — Preparer/Signature Statement

Preparer Information

Name

* Valeah Foy

Email

* valeah.foy@wisconsin.gov

Title

* Title

Phone

* (608) 000-0000

Comments ?

Comments

Attach any applicable documents (optional).....

Attach file



Signature Statement

RESOURCES

Where to look?





RESOURCES

- Innovation grants – revenue.wi.gov/Pages/SLF/IG.aspx
 - Fact sheet
 - Common questions
 - Project examples
 - Fair market compensation guidance
 - Recorded video presentation
 - Apply – Form SL-405





RESOURCES

- DOR website – revenue.wi.gov
- Online videos – see [DOR Video Center](#)
 - Select "Govt" tab
 - Ex: MyDORGov, TIF, assessment topics (frac sand, use-value)
- Reports and notices – revenue.wi.gov/Pages/Report/Home.aspx
- Governments web page – revenue.wi.gov/Pages/Governments/home.aspx





RESOURCES

- Stay informed!
 - Receive **email updates** about law changes, filing reminders, updated reports and notifications
- To subscribe – revenue.wi.gov/Pages/HTML/lists.aspx
 - Municipal officials, tax professionals, TIF/TID, and many more...
- County officials – email OTAS@wisconsin.gov



THANKS!

Contact us – slf@wisconsin.gov





Mission

Strengthen Wisconsin through fair tax and lottery administration, while educating and serving the public, our customers and communities.

Vision

To be the premier agency in providing innovative, accessible resources, and exceptional customer service built on a foundation of trust, inclusivity and creativity.

Values

- Integrity
- Innovation
- Inclusivity
- Knowledge
- Empathy
- Security



Considerations for Prospective Participants

- Submitting an application before the March 31, 2026 deadline maximizes the amount of available funds and the number of grant payments.
- Can two or more counties or municipalities jointly provide services and meet the requirements of the Innovation Grant?
- If the transferred service relates to emergency medical services or fire protection, does the contract provide the information necessary for the transferring county or municipality to make the required annual maintenance of effort certification required by 2023 Wisconsin Act 12?
- Does the contract trigger the Transfer of Service Levy Limit Adjustment? See Wis. Stat. 59.605(3)(c).

An aerial photograph of a city, likely New York City, showing a mix of urban buildings and green spaces. A semi-transparent white banner is overlaid across the middle of the image, containing the title 'Selection Criteria' in a bold, dark blue font.

Selection Criteria

- Under the Statute, the Department of Revenue may not approve an innovation grant after June 30, 2031.
- \$300 million is available for innovation grants. The Department of Revenue may not approve a grant if it would result in the distribution of more than \$300 million.
- The Department of Revenue “shall give priority to county and municipal innovation plans that attempt to realize savings for public safety, fire protection, and emergency services while maintaining the appropriate level of such services.”
 - “After the [Department of Revenue] awards grants to priority applicants, the department may award other counties and municipalities a prorated share of the remaining [\$300 million].”



Selection Criteria

DOR Evaluation

DOR will evaluate applications using a scoring method that allocates points for:

- Service categories – public safety, fire protection, or emergency services
- Service transfer between local governments (counties, municipalities, and tribes)
- Improved service and/or accessibility
- Long-term duration of service transfer
- Process improvements that enhance the service method or delivery
- Increased collaboration with multiple local government participants
- Use of Innovation Planning Grant funds

See Innovation Grant Application (Form SL-405) Instructions.

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Reporting and Compliance

- Each year during the period in which grants are distributed, the Department of Revenue shall audit at least 10% of the grants awarded for which at least 24 months have passed since the first distribution under the grant.
- Each county and municipality participating in an approved innovation project shall maintain detailed records for a minimum period of four years after receiving the first grant payment distribution.
- Grant recipients must certify to the Department of Revenue every year following the initial grant payment that the cost limitation requirement is being met.
 - The Instructions to the Innovation Grant Application indicate supporting documentation regarding expected costs under the contract will also be required.

