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Why Debt Restraints are Reshaping Fiscal Landscapes Across Wisconsin.

Wisconsin municipalities are holding the line on borrowing, even as rising property values expand their capacity to take on more debt.

Data from the Wisconsin Policy Forum's 2025 MuniTool shows that general obligation (G.O.) debt across all cities and villages grew just 2.9% in 2023, the smallest annual increase in the past decade.

That modest rise pushed total G.O. debt statewide to $8.8 billion, but most individual municipalities did not contribute to the increase. In fact, only 33.7% of cities and villages reported taking on more debt last year, while the majority held steady or reduced their liabilities. The trend reflects what researchers describe as cautious fiscal management despite rising construction costs, infrastructure demands, and inflation-driven budget pressure.

Compounding the trend is a decline in Wisconsin's overall municipal debt burden relative to state-imposed limits. The state restricts how much debt a municipality can carry by tying the cap to a percentage of total equalized property value. In 2023, municipalities were using just 32.2% of their total allowable debt, down from 35.2% in 2022. A decade ago, that figure was above 40%.

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