

2015 - 2016 LEGISLATURE

2015 SENATE BILL 233

August 20, 2015 - Introduced by Senators COWLES and LASEE, cosponsored by Representatives STEFFEN, MACCO, GENRICH, JACQUE, JARCHOW, KNODL, KITCHENS, MURPHY, MURSAU, NYGREN, QUINN and TAUCHEN. Referred to Committee on Revenue, Financial Institutions, and Rural Issues.

1 **AN ACT** *to amend* 20.835 (4) (ge) and 77.76 (3p); and *to create* 77.76 (5) of the
2 statutes; **relating to:** distributing excess sales tax revenue collected by a local
3 professional football stadium district to Brown County and the municipalities
4 within Brown County and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill requires the Department of Revenue (DOR) to distribute excess sales tax revenue collected from the local professional football stadium district to Brown County and to the municipalities within Brown County. After the district certifies to DOR that it has paid the district's bond obligations and fully funded reserves for maintenance and operating costs, DOR must distribute 25 percent of the excess revenue to Brown County to use for redeveloping the Brown County arena. Brown County, however, may not spend the revenue without first adopting a resolution specifying how the money will be used and how much money will be used. DOR must distribute the remaining 75 percent of the excess revenue to the municipalities within Brown County in proportion to each municipality's population compared to the entire population of Brown County. The municipalities may use the revenue for property tax relief, tax levy supported debt relief, or economic development. A municipality, however, may not spend the revenue without first adopting a resolution specifying how the money will be used and how much money will be used.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 20.835 (4) (ge) of the statutes is amended to read:
2 20.835 (4) (ge) *Local professional football stadium district taxes.* All moneys
3 received from the taxes imposed under s. 77.706, and from the appropriation account
4 under s. 20.566 (1) (ge), for the purpose of distribution to the special districts that

5 adopt a resolution imposing taxes under subch. V of ch. 77, ~~and~~ for the purpose of
6 financing a local professional football stadium district, and for the purpose of making
7 the payments under s. 77.76 (5) (a), except that, of those tax revenues collected under
8 subch. V of ch. 77, 1.5% shall be credited to the appropriation account under s. 20.566
9 (1) (ge).

10 SECTION 2. 77.76 (3p) of the statutes is amended to read:

11 77.76 (3p) ~~From~~ Except as provided in sub. (5), from the appropriation under
12 s. 20.835 (4) (ge) the department of revenue shall distribute 98.5% of the taxes
13 reported for each local professional football stadium district that has imposed taxes
14 under this subchapter, minus the district portion of the retailers' discount, to the
15 local professional football stadium district no later than the end of the 3rd month
16 following the end of the calendar quarter in which such amounts were reported. At
17 the time of distribution the department of revenue shall indicate the taxes reported
18 by each taxpayer. In this subsection, the "district portion of the retailers' discount"
19 is the amount determined by multiplying the total retailers' discount by a fraction
20 the numerator of which is the gross local professional football stadium district sales
21 and use taxes payable and the denominator of which is the sum of the gross state and

1 local professional football stadium district sales and use taxes payable. The local
2 professional football stadium district taxes distributed shall be increased or
3 decreased to reflect subsequent refunds, audit adjustments and all other
4 adjustments of the local professional football stadium district taxes previously
5 distributed. Interest paid on refunds of local professional football stadium district
6 sales and use taxes shall be paid from the appropriation under s. 20.835 (4) (ge) at
7 the rate paid by this state under s. 77.60 (1) (a). Any local professional football
8 stadium district receiving a report under this subsection is subject to the duties of
9 confidentiality to which the department of revenue is subject under s. 77.61 (5) and
10 (6).

11 SECTION 3. 77.76 (5) of the statutes is created to read:

12 77.76 (5) (a) If a local professional football stadium district in Brown County
13 makes all the certifications to the department of revenue under s. 229.825 (3), the
14 department shall distribute the taxes imposed by or collected for the district under
15 s. 77.706 from April 1, 2015, to September 30, 2015, as follows:

16 1. Twenty-five percent of such taxes to Brown County.

17 2. Seventy-five percent of such taxes to the cities, villages, and towns in Brown
18 County in proportion to the population of each such city, village, and town in the
19 county compared to the county's entire population. For purposes of this subdivision,
20 the department shall use the population determined under s. 16.96 for the county
21 and for each city, village, and town in the county.

22 (b) 1. Brown County shall deposit the revenue received under par. (a) 1. into
23 a segregated account established and controlled by the county to use only for the
24 purpose of redeveloping the Brown County arena and land on which the arena is
25 located. The county may not make expenditures from the segregated account unless

1 the county board adopts a resolution specifying the purpose for which the revenues
2 will be spent and the amount of the revenues to be spent for that purpose.

3 2. Each municipality that receives revenue under par. (a) 2. shall deposit the
4 revenue into a segregated account established and controlled by the municipality to
5 use only for the purpose of providing property tax relief, tax levy supported debt
6 relief, or economic development. A municipality may not make expenditures from
7 the segregated account unless the municipality's governing body adopts a resolution
8 specifying the purpose for which the revenues will be spent and the amount of the

9 revenues to be spent for that purpose.

10 (c) If the local professional football stadium district receives from the
11 department any of the taxes imposed by or collected for the district under s. 77.706
12 from April 1, 2015, to September 30, 2015, the district shall return those taxes to the
13 department, in the manner prescribed by the department, so that the department
14 may distribute the taxes as provided in par. (a).

15 (d) The department shall distribute, as provided under par. (a), the taxes
16 imposed by or collected for the district under s. 77.706 from April 1, 2015, to
17 September 30, 2015, including the amounts returned under par. (c), no later than
18 December 31, 2015. The department shall distribute, as provided under par. (a), any
19 additional amounts collected for the district under s. 77.706 after September 30,
20 2015, including interest, penalties, and amounts due as a result of an audit
21 determination, annually beginning on October 1, 2016, and on October 1 of each year
22 thereafter.

23 (e) Subsection (3p), as it relates to calculating the distribution from the
24 appropriation under s. 20.835 (4) (ge), applies to calculating the distribution from
25 that appropriation under this subsection. Interest paid on refunds of local

1 professional football stadium district sales and use taxes issued by the department
2 on or after April 1, 2015, shall reduce the amounts distributed under this subsection.
3

(END)

Fiscal Estimate Narratives

DOR 8/13/2015

LRB Number	15-2530/4	Introduction Number	AB-0296	Estimate Type	Original
Description Distributing excess sales tax revenue collected by a local professional football stadium district to Brown County and the municipalities within Brown County and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Brown County stadium district is required to build a reserve fund for the maintenance and operating costs of the stadium. As of March 30, 2015, the district board certified, to the Department of Revenue, that it collected enough money to satisfy the reserve requirements. The collection of the tax will continue until the last day of the calendar quarter that is at least 120 days from the date on which the district board makes all of the certifications to the department of revenue. As a result, the tax will expire September 30 2015; resulting in excess revenue.

Under the bill, the Department of Revenue (DOR) is required to distribute excess sales tax revenue from the local professional football stadium district to Brown County and to the municipalities within Brown County. The DOR must distribute 25% of the excess revenue to Brown County to use for redeveloping the Brown County arena. Brown County, however, may not spend the revenue without first adopting a resolution specifying how the money will be used and how much money will be used. The remaining 75% will be distributed to the municipalities within Brown County in proportion to each municipality's population compared to the entire population of Brown County. The municipalities may use the revenue for property tax relief, tax levy supported debt relief, or economic development. A municipality, however, may not spend the revenue without first adopting a resolution specifying the purpose and amount of money that will be used.

The department is required to make the population-based distribution of taxes imposed or collected by the district from April 1, 2015 to September 30, 2015 no later than December 31, 2015. Starting October 1, 2016, the department will distribute any additional district tax collections to Brown County and the municipalities on an annual basis.

For the period April 1, 2015 to September 30, 2015 the department estimates the total sales tax imposed or collected to be \$17.6 million; \$4.4 million ($\$17.6 \text{ million} * 25\%$) will be distributed to Brown County and \$13.2 million ($\$17.6 \text{ million} * 75\%$) will be distributed to the municipalities. This amount includes distributions made through November 2015, as those distributions would cover taxes imposed through September 30, 2015.

The attached table includes a breakdown of the estimated December, 2015 distribution by municipality.

Long-Range Fiscal Implications

Muni Type	Municipality Name	County	Population	Share	Est. Distribution
V	Allouez	Brown	13,795	5.4%	\$ 719,296
V	Ashwaubenon	Brown	16,855	6.7%	\$ 878,849
V	Bellevue	Brown	14,760	5.8%	\$ 769,612
C	De Pere	Brown	24,180	9.6%	\$ 1,260,788
V	Denmark	Brown	2,144	0.8%	\$ 111,792
T	Eaton	Brown	1,532	0.6%	\$ 79,881
T	Glenmore	Brown	1,114	0.4%	\$ 58,086
C	Green Bay	Brown	104,710	41.4%	\$ 5,459,764
T	Green Bay	Brown	2,045	0.8%	\$ 106,630
V	Hobart	Brown	7,610	3.0%	\$ 396,799
T	Holland	Brown	1,528	0.6%	\$ 79,673
V	Howard	Brown	18,703	7.4%	\$ 975,207
T	Humboldt	Brown	1,303	0.5%	\$ 67,941
T	Lawrence	Brown	4,634	1.8%	\$ 241,625
T	Ledgeview	Brown	7,337	2.9%	\$ 382,564
T	Morrison	Brown	1,591	0.6%	\$ 82,958
T	New Denmark	Brown	1,556	0.6%	\$ 81,133
T	Pittsfield	Brown	2,634	1.0%	\$ 137,341
V	Pulaski	Brown	3,282	1.3%	\$ 171,129
T	Rockland	Brown	1,753	0.7%	\$ 91,405
T	Scott	Brown	3,575	1.4%	\$ 186,407
V	Suamico	Brown	11,593	4.6%	\$ 604,479
T	Wrightstown	Brown	2,232	0.9%	\$ 116,380
V	Wrightstown	Brown	2,690	1.1%	\$ 140,261
			253,156	100.0%	\$ 13,200,000