



State of Wisconsin

Assembly Special Committee on the Renovation of Lambeau Field

Representative John Gard, Chair

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TO: Members
Assembly Special Committee on the Renovation of Lambeau Field

FROM: Representative John Gard, Chair

DATE: March 17, 2000

SUBJECT: March 21 Executive Session

On Tuesday, March 21, the Assembly Special Committee on the Renovation of Lambeau Field will meet in executive session at 8:30 a.m. in Room 411 South, State Capitol.

Representative Ziegelbauer and I have introduced Assembly Bill 892. Assembly Bill 892 is identical to AB 730/SB 384 (Packers Stadium Funding Proposal) except that it would delete all tax exemptions from those bills. Those deleted exemptions are listed below.

- a. Sales tax exemptions for parking;
- b. Sales tax exemption for the right to purchase admission to events at the football stadium;
- c. Corporate income tax exemption for the District; and
- d. Individual and corporate income tax exemptions on interest earned on bonds issued by the District.

The Tuesday, March 21, executive session will be held on AB 892. The Committee will work from a substitute amendment (LRB s0448) to AB 892. Representative Ziegelbauer and I have prepared that substitute amendment. Attached is a memorandum, prepared by the Legislative Fiscal Bureau, which describes each provision of the substitute amendment. A copy of the substitute amendment will be distributed to your offices on Monday, March 20.

If members of the Committee have changes to the substitute amendment that they would like to have considered on March 21, they need to contact the Legislative Fiscal Bureau and have that office prepare motions on those items. The Bureau will then: (1) prepare the motion; (2) indicate the name of the Committee member who authored the motion on the motion itself; and (3)

give the author sufficient copies of the motion for distribution to the entire Committee. The Bureau will keep the motion confidential and will distribute all copies only to the author. This distribution will occur at the commencement of, or during, the executive session. The Chair will only entertain written motions that have been prepared by the Legislative Fiscal Bureau.

At the completion of the Committee's executive session, the Fiscal Bureau will work with the Legislative Reference Bureau and have any adopted changes drafted into a substitute amendment.

If you have questions regarding the process that the Committee will follow during the executive session, please contact me.

JG/dh

cc: Bob Lang, Legislative Fiscal Bureau

Attachment

Special Committee on the Renovation of Lambeau Field

Executive Session Meeting Minutes, March 21, 2000

The committee met for an executive session on Assembly Bill 892 – which is Assembly Bill 730 stripped of the tax exemption language.

(1) The committee first took up **SUBSTITUTE AMENDMENT 449**, offered by Representatives Ziegelbauer and Cullen. This amendment specifies:

- The legislature determines that the provision of financial and other assistance by a county to renovate a football stadium would serve a public service. Therefore, the county could issue bonds to finance such a renovation.
- The bonds (or promissory notes) could not be issued unless the county board enacts an ordinance authorizing the issuance of a specified maximum amount of bonds or notes and holds a referendum. The referendum would be held during the spring or general election, spring or September primary, or during a special election called for by the county board.
- The county would levy a 0.5% sales tax to assist in property tax relief and specify that these additional taxes would be used for the football stadium.
- It would restore the tax exemptions: On admission, limited to the one-time license or right to purchase admission, and on the interest earned on the bonds.

MOTIONS TO AMEND: (a) [Cullen, motion #30] **passed** on a 12-0 vote to allow the county board to impose the tax in increments of 0.1%, and tightened the language in the bill regarding the referendum.

- This substitute amendment was defeated 4-8 (Ayes – Ziegelbauer, Ryba, Cullen and J. Lehman).

(2) The committee then took up **SUBSTITUTE AMENDMENT 448**, offered by Representative Gard and Ziegelbauer. This amendment specifies:

- Requires that both of the Governor's appointments to the District Board to be from Brown County and that the board will elect Chairperson.
- If resolution fails, board is dissolved.
- Takes out all eminent domain and condemnation provisions in the bill.
- Worded the question of the referendum, "Shall a sales and a use tax be imposed at the rate of ___% in ___ County for purposes related to football stadium facilities in the ___ Professional Football Stadium District?"
- The county will set the date for the referendum, not earlier than 45 days nor later than 120 days after the District board adopts a resolution imposing the tax.
- Allows the tax rate to be set by the District in increments of 0.1%, but not larger than 0.5%.

- Requires that the revenues raised by the tax are to be used in the following order: a) pay any debt service on the bonds; b) facility maintenance and operating expenses of \$4,031,000 for the first calendar year, plus 3% annual inflation; c) retire additional bonds or establish a reserve fund for future facility maintenance. It would delete the provision that allowed them to use revenues for capital improvements and depreciation costs.
- Exemption from sales tax the one-time license or user fee.
- Give District Tax Exempt status.
- Exempt from state individual and corporate income tax the interest earned on bonds.
- Makes public works projects constructed by the District to be subject to the state's prevailing wage requirements.

MOTIONS TO AMEND: (a) [Cullen, motion #32] **passed** on a 12-0 vote to direct the District to sell commemorative tiles and bricks with net proceeds to be used to retire bonds.

(b) [Cullen, motion #36] **failed** on a 5-7 vote to direct the District that all proceeds generated from the sale of naming rights be used to retire bonds. (Ayes – Ziegelbauer, Ryba, Cullen, J. Lehman, and Sinicki)

(c) [Cullen, motion #34] **failed** on a 5-7 vote to limit the amount of transportation funding made to the district by the state at \$4.55 million. (Ayes – Ziegelbauer, Ryba, Cullen, J. Lehman, and Sinicki)

(d) [Cullen, motion #35] **failed** on a 5-7 vote to delete the authority of the Department of Transportation to make aid payments to the District for development/construction associated with football stadium. (Ayes – Ziegelbauer, Ryba, Cullen, J. Lehman, and Sinicki)

(e) [Ziegelbauer, motion #37] **failed** on a 4-8 vote to delete the authority of the District to use sales and use tax revenues to fund administration of District. (Ayes – Ziegelbauer, Ryba, Cullen, and J. Lehman)

(f) [Ziegelbauer, motion #38] **failed** on a 3-9 vote to delete the authority of the District to use sales and use tax revenues to fund facility maintenance and operating costs. (Ayes – Ziegelbauer, Cullen, and J. Lehman)

(g) [Ziegelbauer, motion #39] **failed** on a 3-9 vote to mandate that the referendum be the following questions:

- (i) “Shall a sales tax and a use tax imposed on ___ County be used to fund the principal and interest costs on \$___ million in borrowing by the ___ Professional Football Stadium District for the purposes related to football facilities?” and

- (ii) “Shall a sales tax and a use tax imposed in ___ County be used to fund up to \$___ million for the maintenance and operating costs related to football stadium facilities and the administrative expenses of the ___ Professional Football Stadium District?”

(Ayes – Ziegelbauer, Cullen, and J. Lehman)

(h) [Cullen, motion #40] **failed** on a 5-7 vote to tax the rentals of luxury suites (Note: this imposition could have been challenged as a violation of the equal protection clauses of the constitutions of the United States and Wisconsin). (Ayes – Ziegelbauer, Cullen, Meyer, J. Lehman, and Sinicki)

(i) [Ryba, motion #44] **passed** on a 7-5 vote to specify that the Packers purchase any tickets for games not “sold out” to ensure that they are broadcast on live television within the District’s jurisdiction. (Ayes – Spillner; Ziegelbauer, Ryba, Cullen, Meyer, J. Lehman, and Sinicki)

(j) [Spillner, motion #47] **passed** on a vote of 11-1 to create an individual income tax “checkoff” for the purpose of bond debt service payments. Revenues would be deposited into the special fund which the tax revenues are deposited. It would sunset after all bonds issued by the District have been retired. (Noes – J. Lehman)

(k) [Freese, motion #48] **passed** on a vote of 12-0 to specify that the District and the football team agree to a thirty (30) year lease.

(l) [Ryba, motion #50] **passed** on a vote of 10-2 to specify that the Packers apply to the National Football League for approval of a policy that allows the holder of a season ticket who pays the “user fee” to reclaim that fee from the subsequent person who receives the initial person’s right to admission. (Noes – Jeskewitz, Huebsch)

(m) [Cullen, motion #49] **failed** on a vote of 6-6 to require the District to meet minority contracting goals. These would include the following:

- (i) Any person awarded a contract have at least 25% minority employees and 5% female employees.
- (ii) Ensure that at least 25% of the aggregate dollar value of such contracts be awarded to minority businesses and at least 5% be awarded to women’s businesses.
- (iii) The District would enter into an agreement with the technical college in the District to develop appropriate training for the pool of minority and female workers in the area in order to achieve the aforementioned goals.
- (iv) The District shall hire an independent person to monitor and ensure the goals are being met.

(Note: Roughly 7% of the population of Brown County would qualify for the minority status, thus ensuring that the bulk of this work would be contracted outside of Brown County.) (Ayes – Democrats, Noes – Republicans)

(n) [**Ziegelbauer, motion #31**] **failed** on a 4-8 vote to make the following changes to the District Taxation Authority:

- (i) Allow District to reduce tax rate in increments of 0.1%.
- (ii) Require the District to re-evaluate the tax rate each February 15 to determine whether or not the tax should be reduced.
- (iii) If bonds are backed by state moral obligation pledge, then District board and DOA Secretary would make the determination of whether or not to lower tax rate.
- (iv) If the District does lower rate, allow county to hold a referendum to impose a county sales tax equal to the reduction rate.

(Ayes – Ziegelbauer, Ryba, Cullen and J. Lehman.)

■ Adoption of the above agreed-to motions into substitute amendment 449/1 (moved by Gard and Freese) was approved on a 9-3 vote. (Noes – Ziegelbauer, Cullen, and J. Lehman)

■ Passage of Assembly Bill 892 as amended (moved by Freese and Meyer) was approved on a 9-3 vote. (Noes - Ziegelbauer, Cullen, and J. Lehman)

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ___ to AB 892 (LRB s0448/1)

Sale of Engraved Tiles or Bricks

Motion:

Move to specify that the District would be allowed to sell engraved tiles or bricks, which may be placed in or around football stadium facilities. Further, specify that the net proceeds from the sale of engraved tiles or bricks shall be used by the District to retire bonds issued for purposes related to football stadium facilities, to the extent allowed under federal regulations governing tax-exempt bonds.

Note:

The substitute amendment (LRB s0449) provides the District general authority to operate and manage the football stadium facilities as a revenue-generating enterprise. This motion would provide the District with specific authority to sell engraved tiles or bricks and would require that any revenues from these activities be used to retire outstanding bonds issued for stadium facility purposes, to the extent allowed under federal regulations governing tax-exempt bonds.

12-0 passed

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ___ to AB 892 (LRB s0448)

Transportation Infrastructure Funding -- Local Share

Motion:

Move to limit the total amount that the Department of Transportation (DOT) could make in aid payments to a local professional football stadium district for transportation infrastructure associated with a football stadium to \$4.55 million. Further, specify that the Department could not make any payment to the District, unless: (a) the city in which the professional football team home stadium is located provides transportation infrastructure funding to the District in an amount equal to 50% of the amount in payments made by DOT; and (b) the county in which the professional football team home stadium is located provides transportation infrastructure funding to the District in an amount equal to 50% of the amount in payments made by DOT.

Note:

Under the substitute amendment (LRB s0448), DOT would be provided the authority to make payments to a professional stadium district for the development, construction, reconstruction or improvement of bridges, highways, parking lots, garages, transportation facilities or other functionally-related or auxiliary facilities or structures associated with a football stadium. These payments would be made from a continuing appropriation funded from the transportation fund. However, under the substitute amendment, no funds would be appropriated for this purpose. Therefore, before an aid payment could be made under the substitute amendment, a separate legislative action to appropriate funding would have to occur.

This motion would require the city and county in which a professional football league home stadium is located to each make transportation infrastructure payments equal to 50% of the amount paid by the state for such purposes. This motion would also limit the amount of state infrastructure spending to \$4.55 million, which is one-half of the \$9.1 million in transportation infrastructure funding that the Packers have indicated would be needed. Therefore, under this motion, if all the involved governments provide funding, the total transportation infrastructure expenses would be allocated as follows: (a) \$4.55 million from the state; (b) \$2.275 million from the City of Green Bay; and (c) \$2.275 million from Brown County.

Motion #34

N, N, N, N, N, N } 5-7 Failed
Y, F, T, N, Y, Y

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ___ to AB 892 (LRB s0448)

Delete Transportation Infrastructure Funding Authority

Motion:

Move to delete the authority of the Department of Transportation to make aid payments to a local professional football stadium district for the development, construction, reconstruction or improvement of bridges, highways, parking lots, garages, transportation facilities or other functionally-related or auxiliary facilities or structures associated with a football stadium.

Note:

Under the substitute amendment (LRB s0448), DOT would be provided the authority to make payments to a professional stadium district from a continuing appropriation funded from the transportation fund. However, under the substitute amendment, no funds would be appropriated for this purpose. Therefore, before an aid payment could be made under the substitute amendment, a separate legislative action to appropriate funding would have to occur.

This motion would delete the authority of DOT to make such payments.

N, N, N, N, N, N }
~~Y, Y, Y, N, Y, Y~~ } 5-7- failed
↓
Meyer

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ___ to AB 892 (LRB s0448)

Sale of Facility Naming Rights

Motion:

Move to require that any revenues associated with the sale of naming rights on any portion of a home stadium facility of a professional football team, the construction or renovation of which is funded in whole or in part from revenues received from a professional football stadium district (District), could only be used to retire bonds issued by the District for those purposes, to the extent allowed under federal regulations governing tax-exempt bonds.

Note:

The substitute amendment (LRB s0448) does not specifically address the use of revenues from the sale of naming rights. This motion would require those revenues to be used to retire District-issued bonds, to the extent allowed under federal regulations governing tax-exempt bonds.

Reps - NO
Dems. - Yes, Meyer - NO } 5-7 - Failed

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ___ to AB 892 (LRB s0448)

District Administration Expenses

Motion:

Moved to delete the authority of the District to use sales and use tax revenues to fund expenses related to the administration of the District.

Note:

Under the substitute amendment (LRB s0448), revenues from the District sales and use taxes could be used to fund the annual administrative expenses of the District (limited to \$750,000 in the first year, \$500,000 in the second year and \$200,000 per year, thereafter). However, the District sales and use tax revenues could be used for such costs only after the revenues are used for the purposes of any debt service reserve fund, to meet the annual debt service on District-issued revenue obligations and to meet annual stadium facility maintenance and operating costs. This motion would delete funding for District administration expenses as an allowable use of District sales and use tax revenues.

Reps- N, N, N, N, N, N, N }
Dems- Y, Y, Y, N, Y, N } 4-8 Fail

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ____ to AB 892 (LRB s0448)

Facility Maintenance and Operating Expenses

Motion:

Move to delete the authority of the District to use sales and use tax revenues to fund facility maintenance and operating expenses.

Note:

Under the substitute amendment (LRB s0448), revenues from the District sales and use taxes could be used to fund annual stadium facility maintenance and operating costs (limited to \$4,031,000 in the first calendar year of the renovated home stadium, plus 3% annual inflation). However, the District sales and use tax revenues could be used for such costs only after the revenues are used for the purposes of any debt service reserve fund and to meet the annual debt service on District-issued revenue obligations. This motion would delete funding for facility maintenance and operating expenses as an allowable use of District sales and use tax revenues.

N } 3-9 Fail

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ___ to AB 892 (LRB s0448)

Referendum Questions

Motion:

Move to specify that District sales and use taxes could only be imposed for the purposes specified in the following referendum questions, contingent on the approval of one or both questions by a majority of the electors in the District's jurisdiction:

a. Shall a sales tax and a use tax imposed in _____ County be used to fund the principal and interest costs on \$___ million in borrowing by the _____ Professional Football Stadium District for purposes related to football stadium facilities?

b. Shall a sales tax and a use tax imposed in _____ County be used to fund up to \$_____ million for the maintenance and operating costs related to football stadium facilities and the administrative expenses of the _____ Professional Football Stadium District?

Note:

The substitute amendment (LRB s0448) does not specify in the referendum question the type of facility purposes which the sales and use taxes could fund. Instead, the substitute amendment would require that the referendum question be worded as follows "Shall a sales tax and a use tax be imposed at the rate of __% in _____ County for purposes related to football stadium facilities in the _____ Professional Football Stadium District?". This motion would add additional questions related to the use of the proceeds from the taxes. In order for the taxes to be imposed, both the question related to imposition and at least one question related to the use of the proceeds would have to be approved by the electors.

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ___ to AB 892 (LRB s0448)

Referendum Questions

Motion:

Move to specify that District sales and use taxes could only be imposed for the purposes specified in the following referendum questions, contingent on the approval of one or both questions by a majority of the electors in the District's jurisdiction:

a. Shall a sales tax and a use tax imposed in _____ County be used to fund the principal and interest costs on \$___ million in borrowing by the _____ Professional Football Stadium District for purposes related to football stadium facilities?

b. Shall a sales tax and a use tax imposed in _____ County be used to fund up to \$_____ million for the maintenance and operating costs related to football stadium facilities and the administrative expenses of the _____ Professional Football Stadium District?

Note:

The substitute amendment (LRB s0448) does not specify in the referendum question the type of facility purposes which the sales and use taxes could fund. Instead, the substitute amendment would require that the referendum question be worded as follows "Shall a sales tax and a use tax be imposed at the rate of __% in _____ County for purposes related to football stadium facilities in the _____ Professional Football Stadium District?". This motion would add additional questions related to the use of the proceeds from the taxes. In order for the taxes to be imposed, both the question related to imposition and at least one question related to the use of the proceeds would have to be approved by the electors.

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Sales Tax on Rentals of Luxury Suites at a Professional Football Stadium

Motion:

Move to provide that the state sales tax on admissions to entertainment and athletic events would apply to the rental fees of suites at a professional football stadium. Specify that this provision would first apply to the gross receipts received from such rental fees after June 30, 2001.

Note:

Under current law, the 5% state sales tax applies to admissions to athletic and entertainment events unless specifically exempted by the statutes. However, the amount paid for a luxury suite at a stadium or an arena over and above the cost of admission to the event is considered to be a non-taxable rental of real property. This motion would impose the sales tax on the entire rental price of a luxury suite at a professional football stadium. Due to the effective date of the motion, there would be no fiscal effect in the 1999-01 biennium. It is estimated that the motion would result in increased general fund revenues of approximately \$400,000 in 2001-2002 and \$500,000 annually thereafter, based on the planned stadium renovations.

It should be noted that, according to staff of the Legislative Council, the imposition of the sales tax on luxury box rentals at a professional football stadium but not on similar rentals at other stadiums and arenas could be challenged as a violation of the equal protection clauses of the constitutions of the United States and the state of Wisconsin.

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ___ to AB 892 (LRB s0448)

Television Broadcasting of Green Bay Packers Home Games

Motion:

Move to specify that any state or District funding for the construction or renovation of football stadium facilities within a professional football stadium district would be contingent on an agreement between the District and the professional football team that would require the team to purchase any tickets for professional football games at the facility necessary to ensure a live television broadcast of those games within the District's jurisdiction.

Under National Football League (NFL) policy, if all the tickets for a preseason or regular season game are not sold by a certain time, the television broadcast of such games cannot be shown in the home team's local broadcast area. This motion would require the Packers to purchase any tickets necessary to ensure the local television broadcast of Packers' home games. While the motion would require the Packers to purchase their own tickets, under NFL revenue sharing policies, the Packers would be required to share 34% of the revenues associated with those tickets with the visiting team.

N, N, Y, M, M, N } Passed 7-5
Y, Y, Y, Y, Y, Y

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ___ to AB 892 (LRB s0448)

State Income Tax Checkoff for Professional Football Stadium Debt Service Donations

Motion:

Move the following:

- a. Create an individual income tax checkoff for debt service payments for bonds related to a local professional football stadium district and specify that the checkoff would first apply to tax years beginning on January 1, 2000;
- b. Apply the current law requirements associated with the endangered resources income tax checkoff to the newly-established income tax checkoff, including the requirement that the amount of the checkoff would be added to the amount of tax owed by the individual or subtracted from the individual's refund;
- c. Specify that the revenues from the individual income tax checkoff be deposited to the special fund to which District sales and use taxes are deposited;
- d. Allow the Department of Revenue to receive revenues in an amount equal to the cost of administering the income tax checkoff in an existing annual appropriation and to expend revenues from that appropriation for administrative purposes; and
- e. Specify that the checkoff would not apply after ~~sales and use taxes imposed by the District are repealed.~~ *All bonds issued by the District have been retired.*

This motion would create an individual income tax checkoff for debt service payments for bonds related to a local professional football stadium district that would be similar to the current endangered resources checkoff. The amount of the checkoff would be added to the amount of tax owed by the individual or subtracted from the individual's refund.

While the motion would allow the Department of Revenue to receive revenues in an amount equal to the cost of administering the income tax checkoff, it would not appropriate any funding for these purposes.

Motion #47

*Reps - Y, Y, Y, Y, Y, Y } 11-1 Passed.
Dems - Y, Y, Y, Y, N, Y }*

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ____ to AB 892 (LRB s0448)

District Lease Agreement With Professional Football Team

Motion:

Move to specify that any state or District funding for the construction or renovation of football stadium facilities within a professional football stadium district would be contingent on a lease agreement between the District and the professional football team in which the team agrees to be the professional football league tenant of the facility for 30 years.

Note:

The substitute amendment (LRB s0448) would provide the District the authority to enter into various lease agreements with a professional football team and other entities, but would not require that such leases be entered into. This motion would specify that, prior to any state or District funding being used for the construction or renovation of the football stadium facilities, the District and the team would be required to enter into a 30-year lease agreement.

R- Y, Y, Y, Y, Y, Y }
D- Y, Y, Y, Y, Y, Y } 12-0 Pass

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ___ to AB 892 (LRB s0448)

One-Time License or Right to Purchase Admission to Professional Football Games

Motion:

Move to specify that any state or District funding for the construction or renovation of football stadium facilities within a professional football stadium district would be contingent on the professional football team certifying that the team has applied to the National Football League for approval of a policy that any person who pays a user fee to purchase admission to events at a football stadium that is granted by a municipality, a local professional football stadium district, a professional football team or related party, for which a state sales tax exemption is provided, would be able to receive a payment from a subsequent person who receives the initial person's right to purchase admission.

Note:

The substitute amendment (LRB s0448) would create a sales tax exemption for a license or other right to purchase admission to events at a football stadium that is granted by a municipality, a local professional football stadium district, a professional football team or related party.

The Packers indicate that payment of the fee would not create a transferable right to purchase season tickets, except that season tickets could continue to be transferred to family members as under the Packers' current policy. Once the fee is paid, a season ticketholder would have the same rights in the renovated stadium as the ticketholder has in the current stadium. The Packers indicate that they chose this type of fee, rather than a private seat license, in order to be fair to those individuals who are on the waiting list for season tickets. This motion would require that state and District funding for the project be contingent upon the payer of these fees, upon relinquishment of their season tickets, being able to be refunded the cost of their user fee by the next individual on the waiting list for season tickets.

R - Y, Y, Y, Y, N, N }
D - Y, Y, Y, Y, Y } 10-2 pass

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ___ to AB 892 (LRB s0448)

Minority Contracting Goals

Motion:

Move to require that a District could not enter into a contract with a professional football team, or related party, for the construction of stadium facility projects unless the team or related party agrees to meet the following requirements relating to minority contracting:

- a. That any person who is awarded a contract agrees, as a condition to receiving the contract, that his or her goal is that at least 25% of employees hired because of the contract are minority group members and at least 5% of employees hired are women.
- b. Specify that it shall be the goal of the professional football team, or related party, to ensure that at least 25% of the aggregate dollar value of such contracts be awarded to minority businesses and at least 5% of the value be awarded to women's businesses.
- c. Specify that if the professional football team, or related party is unable to meet its contracting goals, it is required to make a good faith effort to contract with the technical college district board of the technical college district in which the services are to be performed. This contract would be for the purpose of developing appropriate training programs designed to increase the pool of minority group members and women who are qualified to perform the contracts for the District. In addition, require that a person awarded a contract has to agree that if the hiring goals are not met, the contractor will make a good faith effort to contract with the appropriate technical college board for similar purposes.
- d. Specify that the District would be required to hire an independent person, with previous experience working with minority group members, to monitor the professional football team, or related party's compliance with these provisions. The District is required to develop a mechanism to receive regular reports on the results of the person's studies of compliance with minority contracting goals. If the professional football team, or related party is unable to meet its goals, the monitor is required to assess whether good faith efforts were made to reach the stated goals. In making this assessment, the monitor must consider the following: (a) the supply of eligible minority and women's businesses that have financial capacity, technical capability and previous experience, including consideration of competing demands in the industry for such firms; and (b) the extent to which the professional football team or related party and contractors advertised for and aggressively solicited bids and the extent to which minority and women's businesses submitted bids.

e. The District would be required to solicit the Packers' minority hiring goals in vending contractors and employment in connection with the operation of the stadium.

The substitute amendment (LRB s0448) does not place any minority contracting goals on the District's contract with a professional football team, or related party, for the construction of stadium facility project. This motion would apply the same minority contracting goal for such a contract that apply to any Brewers' stadium construction contracts.

- There is a 7% minority in BC
- This assures that a lot of the labor will not be done by contractors in BC
- Mistake to set goals this high for BC. You tell the people and then assure them that they do not get the work.

Reps- N, N, N, N, N, N } fails 8-0
DEMs- Y, Y, Y, Y, Y, Y }

ASSEMBLY SPECIAL COMMITTEE ON THE RENOVATION OF LAMBEAU FIELD

Amendment to ASA ___ to AB 892 (LRB s0448)

District Taxation Authority

Motion:

Move the following:

a. Allow the District to reduce the tax rate, in increments of 0.1%, for the District's sales and use taxes from the initial level established by the District. Specify that this reduction would take effect on the first day of the first month that begins 30 days after the approval of the resolution lowering the tax rate by the District board and that the District would have to deliver a certified copy of the resolution to the Department of Revenue at least 30 days before its effective date.

b. Provide that by February 15 of each year after the District's sales and use taxes are first imposed, the District board would have to determine whether the tax rate should be reduced after considering the following factors: (1) whether the District could meet its bond repayment or other contractual obligations that are funded from its sales and use taxes with the lower tax rate; (2) whether the bond resolution of any outstanding District bonds would prohibit this type of reduction in the tax rate; and (3) whether it would be feasible and desirable to issue refunding bonds backed by sales and use tax revenues from the lower tax rate to refund any outstanding District bonds. Require that if the District board makes such a determination, then the board would have to reduce the tax rate by the end of that year. Require the District board to report on its annual determination and its analysis of these factors to the state, county and municipal appointing authorities of the members of the District board.

c. Specify that if any outstanding District bonds are backed by a state moral obligation pledge, the District board and the DOA Secretary would be required to make a joint determination under "b." as to whether to lower the District sales and use tax rate. Require that the DOA Secretary's determination to lower the tax rate include the same considerations that would be used in determining whether to place the state's moral obligation on any District bonds.

d. Specify that if the District reduces its tax rate, a county that contains a stadium district may enact an ordinance to impose county sales and use taxes with a tax rate equal to the amount of reduction in the District's tax rate, if approved by a majority of the electors at a referendum. Specify that the referendum would be required to be held on a date specified by the county board not earlier than 45 days after enactment of the ordinance. Provide that this authority to

impose a county tax rate equal to any reduction in the District's tax rate could not be exercised in the first year following the District's initial imposition of sales and use taxes. Specify that the current law requirements associated with county and special district sales and use taxes would also apply to taxes imposed using this procedure.

Note:

Under the substitute amendment (LRB s0448), the District would have authority to impose sales and use taxes at a rate up to, but not more than, 0.5%. The substitute amendment does not create a mechanism whereby the initial sales and use tax rate imposed by the District could be reduced. As a result, the initial rate would have to be maintained until the tax is rescinded. The substitute amendment would also continue to allow a county that contains a Professional Football Stadium District to impose 0.5% county sales and use taxes.

This motion would establish a procedure whereby the District could reduce the sales and use tax rate in 0.1% increments and the county would have authority to impose a tax equal to the reduction in the District sales and use tax rate, subject to referendum approval.



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

March 17, 2000

TO: Representatives Ziegelbauer and Cullen

FROM: Al Runde, Fiscal Analyst

SUBJECT: Summary of LRB s0449: Lambeau Field Renovation Proposal

As you requested, this memorandum provides a summary of LRB s0449, a substitute amendment to Assembly Bill 892. The substitute amendment would allow a county with a population of more than 150,000 to borrow money or issue bonds to construct or renovate football stadium facilities, if the football team using the stadium facility belongs to a league meeting certain requirements. The amendment would also allow such a county to use the revenues from its 0.5% county sales and use tax, authorized under current law, to reduce the additional property taxes imposed for purposes related to football stadium facilities. The substitute amendment would also include the construction or renovation of football stadium facilities as a regional project for the purposes of county and municipal cooperative arrangements. Finally, it would create certain state sales and income tax exemptions.

County Borrowing For Football Stadiums Purposes

Authority to Issue Bonds. Under current law, any county authorized to levy a tax may borrow money or issue bonds to finance any project undertaken for a public purpose. The amount of borrowing or bonds issued is subject to certain referendum requirements and the county debt limit. LRB s0449 would specify that the Legislature determines that the provision of financial and other assistance by a county with a population of at least 150,000 to construct or renovate football stadium facilities would serve a public purpose by providing recreation, encouraging economic development and tourism, reducing unemployment and bringing needed capital into the county for the benefit of people in the county.

LRB s0449 would specify that a county could not issue bonds or promissory notes for purposes related to football stadium facilities unless: (a) the county board enacts an ordinance authorizing the issuance of a specified maximum amount of bonds or notes; and (b) the county

board's ordinance is approved by the majority of the electors in the county voting on the ordinance at a referendum to be held not earlier than 45 days after enactment of the ordinance. The referendum could be held at any spring or general election or any spring or September primary, or at a special election called by the county board for that purpose. The question to be submitted would have to be specified by the county board and would have to include the maximum amount of the bonds or notes that the county proposes to issue.

Football Stadium Facilities. Under LRB s0449, a football stadium would be defined as a stadium that is principally used as the home stadium of a professional football team at the time that bonds are issued for purposes related to the construction or renovation of football stadium facilities. If no home stadium exists at the time that such bonds or promissory notes are issued, football stadium would mean a stadium that includes the site of a proposed home stadium of such a team.

LRB s0449 would define football stadium facilities as football stadium property, tangible or intangible, including spectator seating of all types, practice facilities, parking lots and structures, garages, restaurants, parks, concession facilities, entertainment facilities, facilities for the display or sale of memorabilia, transportation facilities, and other functionally related or auxiliary facilities or structures.

LRB s0449 would define a home stadium as the principal site of a stadium that is home to a professional football team and that is approved by a league to which a professional football team belongs for use as a home stadium for that professional football team. In addition, a professional football team would be defined as a team that is a member of a league of professional football teams that have home stadiums in at least 10 states and a collective average attendance for all league members of at least 40,000 persons per game over the five years immediately preceding the year in which the county issues bonds or promissory note for purposes related to the construction or renovation of football stadium facilities.

County Sales and Use Tax Authority

Currently, counties may adopt 0.5% sales and use taxes that are imposed on the same goods and services that are subject to the state sales and use taxes. However, county sales and use taxes may only be imposed for the purpose of directly reducing the property tax levy. LRB s0449 would specify that this purpose includes reducing the additional property taxes imposed for purposes related to football stadium facilities.

Cooperative Arrangements Among Counties and Municipalities

Under current law, a county board may join with the state, other counties and municipalities in a cooperative arrangement for the acquisition, development, remodeling, construction, equipment, operation and maintenance of land, buildings and facilities for regional projects,

whether or not such projects are located within the county. LRB s0449 would specify that the construction or renovation of football stadium facilities is included in the definition of a regional project.

State Tax Exemptions

Sales Tax Exemption. Under current law, the state sales tax applies to admissions to athletic and entertainment events unless specifically exempted by the statutes. LRB s0449 would create a sales tax exemption for a license or other right to purchase admission to events at a football stadium that is granted by a municipality, a professional football team or related party (defined as a corporation or business entity that is owned, controlled or operated by, or under common control with, a professional football team). The exemption would be limited to a one-time license or right to purchase admission to professional football games at such a stadium if the person who buys the license or right is entitled, at the time the license or right is transferred to the person, to purchase admission to at least three professional football games in this state during one football season. This exemption would not apply to a license or right to purchase admission sold after December 31, 2003.

Income Tax Exemptions. LRB s0449 would provide exemptions from the state individual income tax and corporate income tax for any interest earned on bonds issued by a county for purposes related to football stadium facilities. These exemptions currently apply to interest income on bonds issued by a local professional baseball park district and local exposition center districts.

These exemptions would first apply to tax years beginning on January 1, 2000.

I hope this information is helpful. Please contact me if you have any further questions.

AR/dls

Amendment 1 to SA 0449 - 12-0

9:40 AM

SA 0449 -

GN
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Facils 4-8



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

March 17, 2000

TO: Representatives Gard and Ziegelbauer

FROM: Al Runde, Fiscal Analyst

SUBJECT: Proposed Changes to AB 892: Lambeau Field Renovation Proposal

As you requested, this memorandum summarizes changes to AB 892 that would be made by Assembly Substitute Amendment ___ (LRB s0448).

Composition of District Board of Directors

Time Frame for Board Appointments. The bill would not specify a time frame as to when each appointing authority would be required to make their appointments to the District board. LRB s0448 would require that the appointing authorities make their appointments to the District board within 30 days after the creation of a professional football stadium district.

Appointments to the Board. The bill would allow the Governor to appoint one member to the District board who would not have to reside in Brown County and would allow the Governor to appoint the District board chair. Under the bill, the board would be required to elect a vice-chairperson, secretary and treasurer from its membership. LRB s0448 would require that both of the Governor's appointees be residents of Brown County and that the District board elect the District board chair. LRB s0448 would also specify that the board secretary would serve as clerk to the board.

Removal of Board Appointees. Under the bill, District board members may be removed prior to the end of their terms by the appointing official, but only for cause (defined as inefficiency, neglect of duty, official misconduct or malfeasance in office). LRB s0448 would specify that the county and municipal appointees to the District board serve at the pleasure of the appointing authority and may be removed prior to the expiration of their terms.

Freese/Gard adoption of the Substitute

Reps - Y, Y, Y, Y, Y, Y } 9-3
Dem - N, Y, N, Y, N, Y }

Passage as amended → *Reps - Y, Y, Y, Y, Y, Y } (9-3)*
Dem - N, Y, N, Y, N, Y }

District Board Authority

Dissolution of the District. LRB s0448 would specify that if the District board adopts a resolution to impose District sales and use taxes for purposes related to football stadium facilities and the resolution is not approved by the electors, the District would be dissolved.

Eminent Domain. Under the bill, the District would be created as a type of local governmental body. Therefore, the District would have eminent domain authority to acquire, by condemnation, any real estate and personal property in cases where such property cannot be acquired by gift or at an agreed price. The District could exercise its eminent domain authority over privately-held properties within its jurisdiction, but could not acquire any current property held by the City of Green Bay, including the City's existing interest in the football stadium facilities. LRB s0448 would delete this authority.

Imposition of District Sales and Use Taxes

Referendum Approval for District Sales and Use Taxes. The bill does not indicate which governmental entity would write the referendum question to approve the District sales and use taxes nor does it indicate the types of information that would have to be contained in the referendum question. LRB s0448 would require that the referendum question be worded as follows "Shall a sales tax and a use tax be imposed at the rate of ___% in _____ County for purposes related to football stadium facilities in the _____ Professional Football Stadium District?". Further, LRB s0048 would specify that the current statutory election notice requirements would apply to the referendum.

Referendum Date. Under the bill, the referendum to impose the District sales and use taxes would be held on a date specified by the county board, not earlier than 45 days nor later than one year after the adoption of the resolution by the District board. LRB s0448 would specify that the county shall set a referendum date not earlier than 45 days nor later than 120 days after the District board adopts a resolution imposing the tax.

Allowable Sales and Use Tax Rate. The bill would allow the District to impose any sales and use tax rate up to, but not more than, 0.5%. LRB s0448 would allow the District to impose a sales and use tax rate at one-tenth of one cent increments, up to 0.5%.

Sales and Use Taxes on Purchases in Professional Baseball Stadium Districts. The bill would allow a person purchasing construction materials to be used in a county with a football stadium district sales and use tax to only pay the tax rate associated with a baseball district tax if the materials are purchased in a county that imposes a baseball district tax. LRB s0448 would require that any special district sales and use taxes paid in one county on such purchases would be credited against any special district taxes incurred in the county in which the materials are used.

Use of District Sales and Use Tax Revenues.

Special Revenue Fund. Under the bill, the District board would be required to maintain a special fund to which it could deposit only the sales and use tax revenues received from the Department of Revenue. The revenues deposited to the special fund could be used only for purposes related to football stadium facilities. LRB s0448 would require that the District maintain a single fund that contains only District sales and use tax revenues and would require that all of the revenues generated by the District sales and use taxes be deposited to that fund. Further, LRB s0448 would specify that the earnings on the revenues in the fund remain in the fund.

Use of Tax Revenues. Under the bill, if the District board determines that the revenues in the special tax revenue fund exceed current debt service and operating expenses for the operation of football stadium facilities, the board would be required to apply the excess in the following order: (a) to fund a reserve or reserves for maintenance costs, depreciation and capital improvements; and (b) when such reserves are adequately funded to meet the obligations of the District, to retire any bonds, and any bonds issued to fund or refund those bonds, that may have been issued for purposes related to the football stadium facilities.

LRB s0448 would require that the revenues from the special tax revenue fund could only be used for the following;

a. for the purposes of any debt service reserve fund and the annual debt service on revenue obligations (bonds) issued under s. 66.066, including those issued using a state moral obligation pledge;

b. facility maintenance and operating expenses of \$4,031,000 for the football stadium facilities in the first calendar year in which a renovated home stadium would be used by a professional football team, plus 3% annual inflation, thereafter, for up to 27 years after the initial maintenance payment is made or until the District board determines that the balance, plus any projected earnings, in any District maintenance and operating reserve fund would satisfy the remaining District maintenance and operating obligations;

c. District administration expenses of \$750,000 in the first calendar year beginning after the District sales and use taxes are imposed, \$500,000 in the second calendar year beginning after the sales and use taxes are imposed and \$200,000 per year, thereafter, for up to 29 years after the initial district administration expenses are paid or until the District board determines that the balance, plus any projected earnings, in any District maintenance reserve and operating fund would satisfy the remaining District administration obligations; and

d. after the annual expenses for debt service, facility maintenance and operation and District administration are covered, the District board would be required to apply any excess annual sales and use tax revenues in the following order: (1) to retire any bonds issued for purposes related to stadium football facilities and any bonds issued to refund those bonds; and (2) to establish a

reserve to fund the future facility maintenance and operating expenses and District administration expenses.

LRB s0448 would delete the provision in the bill that would allow the District to establish reserve fund(s) for capital improvements and depreciation associated with football stadium facilities using sales and use tax revenues.

Bonding Authority

Revenue Bond Limit. Under the bill, the District would have authority to issue either public utility revenue bonds or revenue bonds backed by the moral obligation pledge of the state. Both types of bonds would first be backed by the District sales and use taxes. The bill would limit the amount of moral obligation revenue bonds that the District could issue to \$160,000,000 outstanding at any one time and would specify that the bonds could be issued no later than December 31, 2004. LRB s0448 would apply these same limits to the District's authority to issue any type of revenue bonds, other than refunding bonds. LRB s0448 would further specify that any bond proceeds used for issuance costs or original bond issue discounts would not apply to the limit for either type of bonds.

State Tax Exemptions

License Fee Exemption. LRB s0448 would create a sales tax exemption for a license or other right to purchase admission to events at a football stadium that is granted by a municipality, a local professional football stadium district, a professional football team or related party. The exemption would be limited to a one-time license or right to purchase admission to professional football games at such a stadium if the person who buys the license or right is entitled, at the time the license or right is transferred to the person, to purchase admission to at least three professional football games in this state during one football season. The exemption would not apply to a license or right to purchase admission sold after December 31, 2003.

Income Tax Exemptions. LRB s0448 would specify that income of the District would be excluded from taxation under the state corporate income and franchise tax. This would afford the football stadium district with the same tax-exempt status provided to other local governmental units, including a local professional baseball park district and local exposition districts.

LRB s0448 would also provide exemptions from the state individual income tax and corporate income tax for any interest earned on bonds issued by a local professional football stadium district. These exemptions currently apply to interest income on bonds issued by a local professional baseball park district and local exposition center districts.

These exemptions would first apply to tax years beginning on January 1, 2000.

General Issues

Prevailing Wage. Under the bill, public works projects constructed by the District would be subject to the state's prevailing wage requirements. However, the bill would allow the District to contract with a professional football team, or related party, to acquire and construct football stadium facilities. Projects undertaken under such a contract would not be subject to the prevailing wage requirements. LRB s0448 would require that the District could not enter into a contract with a professional football team, or related party, for the construction of stadium facility projects unless the team or related party agrees to meet the state's prevailing wage requirements. This provision would first apply to any such contract that the District and a professional football team, or related party, enter into, extend, modify, or renew on the effective date of the bill.

I hope this information is helpful. Please contact me if you have any further questions.

AR/all

Simple Amendments

32: Cullen - Tiles T, Y, Y, T, Y, Y, -R } 12-0 Pass
T, Y, Y, Y, Y, Y -D

34: Cullen - "Packers treated same as Brewers"
→ Cap at 4.55 million in maintenance
→ No transport & N, N, N, N, N, N } 5-7 Fail
Y, Y, Y, N, Y, Y

35: Cullen - N, N, N, N, N, N } 5-7 Fail
T, Y, Y, N, Y, Y

36: Cullen - Naming rights & go to pay back bonds N, N, N, N, N, N } 5-7 Fail
T, Y, Y, N, Y, Y

40

42

44