

Fiscal Estimate Narratives

DOR 7/2/2003

LRB Number	03-2877/1	Introduction Number	SB-203	Estimate Type	Original
Subject					
Sunset for the local professional baseball park district					

Assumptions Used in Arriving at Fiscal Estimate

1995 Act 56 authorized the Southeast Wisconsin Professional Baseball Park District Board (SWPBPDB) to levy a 0.1% sales and use tax in Milwaukee, Ozaukee, Racine, Washington and Waukesha counties to fund construction of Miller Park. The tax sunsets upon certification by SWPBPDB that all bonds issued for the initial construction of the baseball park and bonds issued to fund or refund those bonds have been retired, and that a maintenance and capital improvement fund sufficient to meet any maintenance or capital improvement obligation between SWPBPDB and the Milwaukee Brewers has been funded.

Under SB 203, the baseball park sales and use tax would sunset December 31, 2014.

In November 1996, SWPBPDB issued \$160 million in revenue bonds maturing in December 2029; these bonds subsequently refinanced to take advantage of lower interest rates. As of May 2003, baseball park sales and use taxes distributed to the SWPBPDB have totalled \$150.7 million.

Since sales tax revenues have exceeded payment obligations, bonds have been retired early and, according to SWPBPDB, the district's outstanding debt will be retired by 2014. Therefore, sunsetting the tax as provided under the bill would not affect the baseball park district or the state's bond rating. The bill has no fiscal effect in the current biennium nor, assuming the baseball district's debt is retired by 2014, in future biennia.

Upon the sunset of the tax in 2014 under the bill, the Department's administrative costs would decrease along with the Department's program revenue (1.5% of baseball park taxes) retained to recover its administrative costs.

Long-Range Fiscal Implications